FBIS DAILY REPORT

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ADDITIONAL REPORTAGE ON NATIONAL ELECTIONS

Leaders Attend Rally

LD220949 Prague Domestic Service in Czech 1430 GMT 21 May 86

[Text] A preelection rally of working people and youth of Prague was held in the Congress Hall of the Palace of Culture in Prague this afternoon. The participants welcomed with cordial applause Gustav Husak, general secretary of the CPCZ Central Committee, president of the Republic, and chairman of the Central Committee of the National Front of the CSSR. Places at the rostrum were taken by: Lubomir Strougal, federal premier, and the other members of the Presidium of the CPCZ Central Committee Vasil Bilak, Peter Colotka, Karel Hoffmann, Alois Indra, Milos Jakes, Antonin Kapek, Josef Kempny, Josef Korcak, and Josef Lenart; candidate Presidium members of the party Central Committee Jan Fojtik, Josef Haman, Vladimir Herman, Miloslav Hruskovic, Ignac Janak, and Frantisek Pitra; secretaries of the Central Committee Josef Havlin and Jindrich Polednik; Secretariat members of the party Central Committee Zdenek Horeni and Marie Kabrhelova; and chairman of the Central Control and Audit Commission of the CPCZ Jaroslav Hajn. They were all cordially welcomed.

Husak Casts Ballot

LD231455 Prague Domestic Service in Czech and Slovak 1400 GMT 23 May 86

[Excerpt] Throughout the Republic, citizens are arriving at the festively decorated polling stations to vote for National Front candidates standing for election to national committees, the Czech and Slovak National Councils, and the Chamber of the People and Chamber of Nations of the Federal Assembly.

This afternoon Gustav Husak, general secretary of the CPCZ Central Committee and president of the Republic, voted at the polling station of Ward No 1 of Prague-1, on the grounds of Prague Castle.

Election Commission Report

LD251729 Prague Domestic Service in Czech and Slovak 1500 GMT 25 May 86

[Text] The National Front Central Election Commission met today, presided over by Jindrich Polednik, its chairman. It discussed and approved the results of the elections to the Chamber of the People and Chamber of Nations of the Federal Assembly. It also discussed reports of the Czech and Slovak Commission of the National Front on the results of election to the Czech National Council, the Slovak National Council, and national committees held on 23 and 24 May this year.

The National Front Central Election Commission stated that the elections to the representative bodies have expressed the firm resolve of our people to continue along the road of building an advanced socialist society and to carry out responsibly the program set out by the 17th CPCZ Congress. The commission documented the unequivocal support of all citizens for the internal and external policy of the CPCZ and the National Front, other socialist countries, and the forces of progress and peace. In accord with the election laws and the dates set, constituencies were established and declared, the activity of the election commissions begun, election wards set up, candidates of the National Front for election to the individual representative bodies were proposed and registered, and drafts of new election programs of the National Front were prepared.

The Central Election Commission ascertained that 10,950,675 voters were registered to vote in the election to the Chamber of the People and Chamber of Nations of the Federal Assembly; 10,834,947 voters took part in the elections, which is 99.39 percent; 10,871,881 voters voted for the National Front candidates in the election to the Chamber of the People of the Federal Assembly, which is 99.94 percent of the total valid votes cast; 134 deputies were elected to the Chamber of the People of the Federal Republic in the Czech Socialist Republic and 66 deputies in the Slovak Socialist Republic; 10,870,962 voters voted for the National Front candidates in the election to the Chamber of Nations of the Federal Assembly, which is 99.4 percent of the total valid votes cast; 75 deputies were elected to the Chamber of Nations of the Federal Assembly in the Czech Socialist Republic and 75 deputies in the Slovak Socialist Republic. The National Front Central Election Commission will submit all the evidence on the elections of deputies to the Mandate and Immunity Committees of the Chamber of the People and Chamber of Nations of the Federal Assemby.

According to a report of the Czech Election Commission of the National Front, submitted to the Central Election Commision, 7,407,516 voters wre registered to vote in the elections to the Czech National Council and 7,350,374 voters took part in the elections, which is 99.22 percent; 7,338,562 voters voted for the National Front candidates in the election to the Czech National Council, which is 99.24 percent of the total valid votes cast. All 200 proposed candidates of the National Front were elected as deputies of the Czech National Council.

According to the report of the Slovak Election Commission of the National Front, submitted to the Central Election Commission, 3,499,301 voters were registered to vote in the elections to the Slovak National Council; 3,490,785 voters taking part in the election, which is 99.95 percent of the total valid votes cast; all 150 proposed candidates of the National Front were elected as deputies of the Slovak National Council. The list of the elected deputies of all legislative bodies will be published in the daily press.

Based on the report of the Czech and Slovak Election Commission of the National Front, the National Front Central Election Commission stated that 10,906,817 voters were registered to vote in Czechoslovakia for the elections to the regional national committees, the National Committee of Prague, the capital city, and the National Committee of Bratislava, the capital city of the Slovak Socialist Republic; and in the elections to the district national committees, the national committees of the cities of Brno, Ostrava, Usti and Labem, Plzen, and Kosice, and the municipal district national committees in Prague and Bratislava. 10,841,132 voters took part in the elections, which is 99.39 percent; 10,829,173 voters cast their ballots for the candidates of the National Front in the elections to the regional national committees, the National Committee of Prague, the capital city, and the National Committe of Bratislava, the capital city of the SSR; which is 99.95 percent of the total valid votes cast; 1,641 candidates of the National Front were elected as deputies. 10,825,493 voters voted for the candidates of the National Front in the elections to the district national committees, the national committees of the cities of Brno, Ostrava, Usti and Labem, Plzen, and Kosice and the municipal district national committees in Prague and Bratislava, which is 99.92 percent of the total valid votes cast; 12,882 candidates of the National Front were elected as deputies to these national committees. 9,843,802 voters were registered, to vote in Czechoslovakia in the elections to the local and municipal national committees, including municipal district national committees in Brno, Ostrava, Plzen, Usti and Labem, and Kosice; 9,800,827 voters took part in the elections, which is 99.56 percent; 9,776,408 voted for the candidates of the National Front in these elections, which is 99.91 percent of the total valid votes cast; a total of 182,181 National Front candidates were elected to these national committees as deputies.

The National Front Central Election Commission stated that all 197,404 candidates of the National Front were elected throughout Czechoslovakia as deputies to representatives bodies. The Central Election Commission congratulates the newly elected deputies and voices the conviction that they will work responsibly, defend the interests of the people, and strive for the further successful development of our socialist homeland. At the same time it pays tribute to the work of the hundreds of thousands of officials and members of the CPCZ, the National Front, and political parties, social and interest-based organizations associated within it, national committees and state bodies, members of the election commissions, and workers of the media. Sincere thanks go to all those who contributed to the successful course of the elections.

The results of the elections are an expression of the combined will and joint resolve of our poeple to continue to work selflessly so that our dear homeland, the Czechoslovak Socialist Republic, will continue to flourish. A united voice has once again resounded throughout our country -- for socialism and peace.

CPCZ-National Front Statement

LD251730 Prague CTK in English 1544 GMT 25 May 86

[Text] Prague May 25 (CTK) -- "These days the people of Czechoslovakia displayed the high degree of their civil maturity. Aware of the responsibility for the future of their country, the Czechoslovak Socialist Republic, they elected their representatives to the representative bodies of all levels", said a statement of the Czechoslovak Communist Party Central Committee and the Czechoslovak Communist Party Central Committee and the Czechoslovak National Front Committee on the results of the elections, issued today.

The Czechoslovak Communist Party and the National Front presented to the broad public a program worked out by the 17th Congress of the Czechoslovak Communist Party. The clear victory of the National Front candidates is a convincing proof that the Czechoslovak people espoused this program.

The elections manifested the united will and resolve of the citizens to continue the path of building socialism, seeking the prosperity of their homeland, the path of creative work and peace. The elections once again showed the close link of the Communist Party with the people, the unity of the National Front association political parties and social organizations.

The statement said the resolutions of the 17th Congress of the Czechoslovak Communist Party gave rise to an extensive initiative at work and civil activity. Citizens reviewed the attained results, deliberated over the candidates for deputies, participated in the elaboration of election programs, raised suggestions, recommendations and critical remarks. All this is a significant contribution towards improving the activities of the representatives bodies, towards further development of towns and villages, towards a fuller and more satisfied life of the people. The Communist Party Central Committee and the National Front Central Committee "respect and highly appreciate this active stand of our citizens, which is an expression of socialist patriotism and a source of the successes and strength of socialism."

The results of the elections helped to strengthen the socialist state, they proved that "the people are the genuine managers and rulers in our country". In harmony with the social and class structure of society, on the broad platform of the National Front, representatives of the working class, cooperative farmers, intelligentsia, youth and women were elected to the legislative bodies and national committee.

"This reflects the deeply democratic character of the socialist system, the moral and political unity of our nations and nationalities, the unity of communists, non-members of the party and members of other political parties, the equal status of women and the responsible role of the young generation."

The statement expressed the belief that with the support of their votes the deputies will pay heed to the will of the people in the legislative bodies and national committee and work assiduously for the prosperity of Socialist Czechoslovakia. By their vote for the National Front candidates, Czechoslovak citizens expressed their full confidence in the country's home and foreign policies.

The statement sincerely thanked all who contributed to the democratic preparation and respectable course of the elections, and expressed appreciation to the bodies and organizations of the Communist Party, the other political parties and the whole national front, national committees and members of electoral commissions.

The statement stressed the need to wage a consistent struggle for the implementation of the joint program of the Czechoslovak Communist Party and the National Front, and voiced the conviction that the people of Czechoslovakia will cope with the set tasks and thus bring a significant contribution towards the cause of socialism, social progress and world peace.

GOVERNMENT SEEKS SANCTIONS AGAINST SOUTH AFRICA

AU231046 Prague RUDE PRAVO in Czech 22 May 86 p 2

[Text] Prague (CTK) -- On 19 May 1986 early in the morning the Republic of South Africa attacked the capitals of three independent African states -- the Republic of Zimbabwe, the Republic of Zambia, and the Republic of Botswana.

The barbarian attack was directed against the residential districts of Harare, Lusaka, and Gaborone. Apart from considerable material losses, the insidious assault also resulted in deaths among the civilian population. The purpose of this terrorist action was to intimidate independent African states which are striving to remove the shameful regime of apartheid and to suppress the national liberation struggle of the South African patriots. The example and encouragement for this act of state terrorism of the South African racists lay in the recent attack of their American protectors against Libya.

No justification can be found for this open aggression, which contradicts the basic norms of international law. The military action of the Republic of South Africa represents yet another dangerous step in the escalation of tension in southern Africa. In the spirit of the basic principles of the Czechoslovak foreign policy, of sincere solidarity with the peoples of Africa, and of the traditions of all-round support for their fight for independence over many past years, the Czechoslovak people and their government most resolutely reject and sharply condemn all acts of aggression, intimidation, and exploitation implemented against countries that are defending their right to an independent and progressive development. It is necessary to put an end without delay to the actions of gross pressure and extortion by the Pretoria regime against sovereign African states.

The CSSR Government and people call upon the international community to begin implementing without delay, in the spirit of appropriate UN resolutions, comprehensive and effective sanctions against the Republic of South Africa, which has elevated apartheid and terrorism to its state policy.

U.S. 'AGENT' SENTENCED TO LIFE IMPRISONMENT

LD231723 East Berlin ADN International Service in German 1637 GMT 23 May 86

[Text] Berlin, 23 May (ADN) -- The Berlin Higher Military Court on 23 May 1986 sentenced the inhabitant of Berlin (West) Fred Altenkrueger to life imprisonment for a serious case of espionage under Paragraphs 98, 103, and 110 of the Criminal Code. The Ford Sierra car used for the criminal acts, registration No B-CP 5624, has been seized.

Altenkrueger was a trained and paid agent of a U.S. secret service, and carried out military espionage for several years with extraordinarily high intensity, systematically, and in a planned way to the disadvantage of the GDR and the USSR., His extensive espionage activity was directed above all against the military potential of the Group of Soviet Forces in Germany and the National People's Army.

He entered the GDR numerous times to carry out espionage commissions from the U.S. secret service. The main trial proceedings again demonstrated that the imperialist secret services through their subversive crimes actively support the peace-endangering activities of aggressive NATO circles.

FURTHER ON HONECKER VISIT TO ERFURT BEZIRK

Tours Microelectronics Plant

LD221935 East Berlin ADN International Service in German 1151 GMT 22 May 86

[Excerpts] Erfurt, 22 May (ADN) -- The first stop in Erich Honecker's visit to Erfurt Bezirk was the most recent production center of the Karl Marx publicly owned microelectronics enterprise, which went into operation 2 years ago. The public figures were warmly welcomed by the staff. The minister of electrical engineering and electronics, Felix Meier, and director general Professor Heinz Wedler welcomed the general secretary of the SED Central Committee and chairman of the State Council to this center of high technology, in which, as in all the other 23 enterprises and research installations of the combine, the decisions of the 11th SED Congress are being creatively realized.

Erich Honecker expressed thanks for the interesting explanations of the achievements and plans of the combine and its parent enterprise for the accelerated development of microelectronics, which works as a catalyst of scientific-technical progress. He expressed gratitude especially for the new commitments made by the over 8,000 Erfurt microelectronic workers. This includes the plan to increase net production by 54 percent and productivity by 52.8 percent in comparison with the previous year. In selected components they want to exceed the great yield of operative chips by an average of 2 percent and thus make available an additional 221,000 switching circuits and chips. The components are, inter alia, intended for the additional production of 10,000 personal computers in the Soemmerda office machinery works. Erich Honecker, who again paid tribute to the whole workforce for its great commitment, said: "You have been entrusted with great tasks. You can be sure that the party leadership will continue to help you in this."

On his tour of the air-conditioned, dust-free work rooms, Erich Honecker and other guests talked with engineers and skilled workers. Erich Honecker greeted on the shop floor Volker Winkler, head of a youth brigade that has undertaken to achieve top international standards in the production of very large-scale integrated circuits and thereby exceed the plan.

Erich Honecker also learned that the collective wants to reduce for the first time this year the bit error rate to below 0.3 percent. Erich Honecker praised their performance readiness in an entry in the brigade log book.

During their tour the visitors also showed an interest in other new technology such as a laser marking robot developed by a youth research collective. This equipment automates time-consuming work. Erich Honecker also paid tribute to these young experts.

Welcomed in Jena

LD230950 East Berlin ADN International Service in German 0753 GMT 23 May 86

[Text] Jena, 23 May (ADN) -- Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, arrived in Jena on Friday morning. He was welcomed enthusiastically by thousands of citizens and paid a visit to the Carl Zeiss Jena combine.

Erich Honecker, Guenter Mittag, Politburo member and secretary of the SED Central Commitee and other public figures were welcomed warmly in front of the research high rise by Herbert Ziegenhahn, first secretary of the SED Cera Bezirk Executive; Felix Meier, minister of electoral engineering and electronics; and Wolfgang Biermann, Zeiss director general.

Gives Speech in Jena

LD231951 East Berliln ADN International Service in German 1239 GMT 23 May 86

["Erich Honecker's Address at the Meeting in the Zeiss Optics Enterprise" -- ADN headline]

[Text] Jena, 23 May (ADN) -- The text of Erich Honecker's address in Jena is as follows:

It is a great pleasure for me to convey to you, the Zeiss workers, on behalf of the Central Committee of our party, the State Council, and the Council of Ministers of the GDR the most cordial militant greetings. Our visit to important production and research sections of your combine, and the interesting, detailed talks with workers, researchers, engineers, and designers, with the management of your combine and its director general, Comrade Biermann, have deeply impressed us all. Everything that we have seen and learned about the results and future perspectives of your combine strengthens our conviction that your great collective stands in the front ranks in realizing the decisions of the 11th SED Congress. I would like to congratulate you very cordially about that.

Here in Jena, as in the other enterprises of your combine, exemplary efforts for the dynamic development of our economy, indeed of our whole country, are being achieved. For this I convey to the Carl Zeiss Jena combine the cordial thanks of our party's Central Committee. It has already been said and confirmed that you are undertaking everything for the realization of the 11th SED Congress.

In honor of the 11th SED Congress you have once again taken the initiative and are expressing your agreement with its decisions through your deeds. In this way you are fulfilling our old slogan: Words and deeds must match one another here. We are for socialism, we are successfully shaping our developed socialist society. We are strengthening socialism and in this way making our contribution to the securing of peace.

To exceed the planned net production for 1986 by 3 days' output, to exceed labor productivity by 1.2 to 1.5 percent, and to exceed exports to the USSR by a million marks are very demanding goals. Everywhere one feels that you have fully dedicated yourselves to making use of the scientific and technological revoution and so achieve the highest economic results for socialism. That is the right way. That is -- I would like to stress that here -- the path of the 11th SED Congress.

As is well known, the 11th party congress decided that our main field of battle is the unity of economic and social policy. We are standing by our proven course to do everything for the well-being of the people. The new stage in the shaping of the developed socialist society is being widely determined by the GDR fighting for top positions. The Carl Zeiss Jena combine is making an extraordinarily important contribution to this.

We have set the task for an increasingly effective intermingling between production and science, and here one finds the practical proof of how consistently you have dedicated yourselves to this. In this way the industry and outstanding skill of tens of thousands of skilled workers, scientists, and technicians are being stimulated and shown to full advantage.

In this way the good reputation of the Carl Zeiss Jena combine in the world is being daily maintained and daily renewed. That is important for the further development.

Your combine with its 69,000 employees in 24 enterprises today embodies a powerful potential. Tens of thousands of skilled workers have acquired their knowledge here. Thousands of college and vocational school cadres, who have come to you from our Republic's educational establishments, have begun their work in your enterprises and research sections. All of them the young and older experienced colleagues, the graduates and the researchers who have matured over many years' work, are your gold reserve. Quality, reliability, and precision are here part of everyday production. Together with bold research, which taps new scientific ground with good economic results, this constitutes your strength.

Your combine has a great scientific reservoir: a strong in-house base, particularly in microelectronics and in optics; a significant in-house production capability for equipment and rationalization equipment; and a broad production profile, which includes many export products in demand and extends to high developed consumer goods.

In short, you are well equipped to do justice to the demands that derive from our party's economic strategy with a view to the year 2000.

Here, too, one experiences very vividly what fruits are borne from peaceful, creative work. Peace: This is an expression particularly dear to all of us. The discussions at our 11th congress and its decisions were pervaded by it. The securing of peace is our supreme concern. We do not want mankind to sink in a nuclear inferno but want it to live and go towards a happy future. However different the social orders and the alliance systems might be, the states must learn the art of existing and getting on well with one another. We for our part are striving to continue such a policy.

In this spirit we support with all our strength the elimination of all nuclear weapons from earth and the nonmilitarization of space. The general secretary of the CPSU Central Committee, Mikhail Gorbachev, has proposed a comprehensive program in this direction, which was confirmed by the 27th CPSU Congress. We support the responsible action of the Soviet Union oriented toward the interests of all mankind.

The same is true of the excellent initiative by Mikhail Gorbachev for a considerable reduction in conventional weapons and armed forces from the Atlantic to the Urals, which he announced at the 11th party congress.

The extension of the unilateral moratorium on all nuclear weapons tests by the Soviet Union is of world political significance, and it is to be hoped that the United States will at long last move from its destructive attitude. If all nuclear eapons' tests are stopped then no new means of mass destruction can be developed. Mankind would have every reason to breathe freely. An important step towards disarmament would have been made.

If one follows events in the world, one must say that the international situation remains a cause for concern. The star wars program of the United States, in which -- to the detrimente of European security and cooperation -- the FRG is also taking part, will lead, if it is not stopped, to a new dimension of the arms race, to an increased danger of a nuclear world war. We must, in every way, counter this threat by strengthening socialism, because the motto: The Stronger Socialism is, the More Secure peace is, is correct. This recognition is of extraordinarily great significance, because it stresses the truth that it is not only necessary but also possible to secure peace for mankind.

Peace -- that is the main content of our struggle for a better life. Peace for our children and grandchildren, peace for our families, peace for our country, for Europe, peace for the whole world.

In line with our course of the unity of economic and social policy, we will ensure in the coming years, as envisaged in the directive on the 5-year plan, the increase in economic strength along the path of intensification and also the further improvement in the material and cultural living standard of the people.

The future development of the GDR will therefore also be proof of what real socialism can produce for the people. Full employmene, social security, equal educational chances for all children, an exemplary health system, and a rich intellectual and cultural life are characteristic features of this. By voting for the candidates of the National Front at the elections on 8 June we will again confirm our common political will on the basis of the National Front's election manifesto.

Your vote for the candidates of the National Front is a vote for socialism, a vote for peace, and a vote for a peaceful future for mankind in general. I wish you, dear working people, of the Carl Zeiss Jena combine, great success at work and all the best in your personal lives.

FORMER LIBYAN DIPLOMAT REPORTEDLY SHOT TO DEATH

LD212052 Hamburg DPA in German 1943 GMT 21 May 86

[Text] Bonn, 21 May (DPA) -- A 42-year-old former employee of the Libyan Embassy in Bonn, Muhammad Ashur, was shot to death apparently on political grounds by compatriots in East Berlin at the beginning of May, according to the daily newspaper DIE WELT in Thursday's edition. The paper states that this was learned from a spokesman for the General Union of Libyan Students in the Federal Republic. A spokesman for the Libyan mission in Bonn told DPA when questioned that he knew nothing of the incident.

The paper adds that there was a shooting incident over Whitsun in the building where the Libyan diplomatic mission in the GDR is housed. It occurred in connection with recent arguments among Libyans about the role of te People's Bureau in terrorist attacks in the West.

According to the report, Ashur was studying for a doctorate in political science at the Free University in West Berlin. DIE WELT says that the death of the Libyan, who was shot on the night of 3 May in an East Berlin park, was being investigated in strict secrecy by the authorities in both parts of the city. They were also investigating the question as to whether the Libyan knew anything about the culprits who carried out the bomb attack on the West Berlin "La Belle" discotheque, in which a U.S. soldier and a Turkish woman were killed and over 200 guests injured, some seriously.

Manfred Ganschow, head of the antiterrorist police in Berlin, said in response to a DPA query on this that the Libyan People's Bureau in Bonn had announced in a telex to a Berlin police station that 42-year old Muhammad Ashur, who lived in West Berlin, had died. On behalf of his family, the diplomatic mission asked the Berlin police to safeguard Ashur's belongings. The antiterrorist police that were brought in looked at the apartment along with the police and "secured" Ashur's belongings. Ganschow said nothing suspicious was discovered. The antiterrorist police, he said, knew nothing about what was described in the article or the fact that Ashur was reported to have been shot to death.

FURTHER ON VISIT OF PRC SCIENCE DELEGATION

Cooperation Accord Signed

LD222256 East Berlin ADN International Service in German 1917 GMT 22 May 86

[Text] Berlin, 22 May (ADN) -- An agreement on scientific and technological cooperation was concluded in Berlin on Thursday between the Governments of the GDR and the People's Republic of China. It was signed by the deputy chairman of the GDR Council of Ministers and minister for science and technology, Dr Herbert Weiz, ad the state councillor and minister in charge of the PRC State Commission for Science and Technology, Professor Song Jian.

Herbert Weiz and Song Jian paid tribute in toasts to the government agreement as a solid foundation for deepening economic and scientific relations between the two countries and giving them a long-term character. In this way an important contribution is being made to international understanding and the securing of peace. The 13th session of the permanent commission for scientific and technological cooperation between the GDR and the PRC ended the same day. It agreed on concrete measures in the main areas of focusing cooperation during 1986-90, and for the expansion of direct relations between ministries and economic organizations from the two countries on a contractual basis.

The chairman of the GDR section, Klaus Herrmann, deputy minister for science and technology, and the acting chairman of the PRC section, Ma Xusheng, PRC ambassador in the GDR, confirmed the statute of the commission and the protocol on the results of the meeting.

Received by Stoph

LD232006 East Berlin ADN International Service in German 1442 GMT 23 May 86

[Text] Berlin, 23 May (ADN) -- Willi Stoph, chairman of the GDR Council of Ministers received on Friday in Berlin, Song Jian, state councillor and minister in charge of the State Science and Technology Commission of the PRC. In the talk, which took place in an open atmosphere, the chairman of the Council of Ministers touched upon the international situation, which has been dangerously sharpened by the course of confrontation and arms build-up of the most aggressive circles of imperialism.

He explained to his guest the consistent peace policy of the GDR, the aim of which is to end the arms race on earth and to prevent its extension into space. The USSR's proposals to remove nuclear weapons by the year 2000 and other proposals are of great signficance and are unreservedly supported by the CDR. State Councillor Song Jian affirmed the interest of the Government of the PRC in preserving and to strengthening peace, and its activity is directed towards this. It decisively rejected the militarization of space envisaged by the U.S. Administration with the SDI program and any form of participation in this.

Willi Stoph and Song Jian highly evaluated the results of the economic and scientific-technological relations between the GDR and the PRC which have been achieved so far, and expressed mutual interest in fully utilizing the opportunities available for deepening them. they stressed that the governmental agreement on scientific-technological cooperation, which was signed during the stay of the Chinese guest in the GDR, creates favorable prerequisites for this. It is envisaged to develop long-term cooperation in science and technology for the promotion of economic relations, in spheres in which both countries have at their disposal a high scientific and technological level and good experience. This relates for example to the extraction and processing of coal, the chemicals industry, electrical engineering, electronics, machine-building, and agriculture.

Willi Stoph informed the Chinese guest about the implementation of the resolutions of the 11th party congress of the SED. The tasks for the accelerated development and broad economic utilization of science and technology and the further raising of the level of education of the working people are most important. The Chinese guest spoke admiringly of the state of development of the GDR. He spoke with satisfaction of the results of his visit, the talks held, and the useful contacts with the working people of the combines visited.

Taking part in the talks were Herbert Weiz, deputy chairman of the GDR Council of Ministers and minister of science and technology, and Liu Zhenyuan, deputy leader of the Chinese delegation and deputy mayor of Shanghai.

Departs From Berlin

LD251526 East Berlin ADN International Service in German 1427 GMT 25 May 86

[Text] Berlin 25 May -- The government delegation of the People's Republic of China, lead by Professor Dr Song Jian, state councillor and minister in charge of the PRC State Science and Technology Commission, on Sunday concluded its official visit to the GDR. During their stay of several days the guests were able to learn about combines and scientific institutions on the development of efficacy and quality in the GDR as well as to familiarize themselves with experiences in management and planning of science and technology. On taking leave at Berlin-Schoenefelt Airport, State Councillor Song Jian asessed the visit as rich in results and constructive for the shaping of future economic and scientific relations between the two countries.

CORRECTION TO HONECKER'S VISIT TO SOEMMERDA

The following correction pertains to the item subheaded "Visits Soemmerda" published in the 23 May Eastern Europe DAILY REPORT on page E 1:

First paragraph, second line should read: ...reputation as an electronics center, gave an enthusiastic welcome...(supplying missing words)

FIRE CAUSES 'MASSIVE DAMAGE' TO ELECTRONICS FIRM

LD261843 Budapest Domestic Service in Hungarian 1630 GMT 26 May 86

[Tamas Forro report, including interview with Deputy Industry Minister Sandor Bognar, on the fire at a microelectronics enterprise "late this afternoon"]

[Text] First, we report on the fire at Foti Street. Tamas Forro visited the depot of the microelectronics enterprise in the fourth district of Budapest late this afternoon:

[Begin recording] Blackened walls and charred ruins, still smoking here and there: The fire that blazed here, at the microelectronics enterprise between 0600 and 1000, caused massive damage. Even a layman can see that the chip-manufacturing workshop inaugurated 2 years ago has been turned into ashes. The ceiling collapsed at numerous places, and all equipment and materials inside fell victim to the flames. The wall of the office building was blackened by the soot and the windows shattered by the massively high temperature. It is almost impossible to describe with words the damage caused by the blaze. It took a huge force, including 38 fire engines and 114 firemen, 4 hours of strenuous work to get the blaze under control at 1014.

A few minutes ago I managed to see the burned-out building from a crane. The light-structure roof has completely collapsed. The network of the pipes and the assembly line have burned down completely, and here and there the remains are still smouldering. The damage caused to the office building is also massive.

Deputy Minister of Industry Sandor Bognar ended his inspection a few minutes ago. What have you been able to establish, 8 hours after the blaze?

[Bognar] We have now reached the stage for assessment. We can say that a workshop in the microelectronics enterprise caught fire. This is a building of about 2,400 square meters, and it contains very complex technology. This is the building which has been consumed by the flames, causing quite a significant damage.

[Forro] Do you know precisely at this early stage what hqas been destroyed?

[Bognar] The rather complex technology manufacturing microelectronic components. Not much of this technology remains useable.

[Forro] What is the extent of the damage?

[Bognar] At this stage we can say that the direct damage caused to the people's economy and to the enterprise is about 1 billion forints.

[Forro] Are there any indications as to what caused the fire?

[Bognar] Well, this is the most difficult question to answer. This will be up to the relevant committee to determine. The situation is this: We are talking about such complex and sophisticated technology that it would be dangerous even for experts to speculate about the concrete causes.

[Forro] Was anyone injured while the fire was being fought?

[Bognar] While the fire was being fought, 14 personal injuries were sustained; 4 factory workers and 10 firemen sustained light injuries, scratches and the like, and injuries due to the smoke. These are light injuries, except for the case of two firemen whose hands were cut by glass and for whom medical intervention proved necessary.

[Forro] This factory was completed 2 and 1/2 years ago, in November 1983. It is well known that the manufacture of microchips is the heart of the microelectronics industry. How does the blaze affect the microelectronics program and our exports?

[Bognar] This fire is very painful to us, because some very modern technology has been destroyed. We want to minimalize its consequences. Specifically, we want partner enterprises working on exports to avoid feeling its effects. The Ministry of Industry, the Material and Prices Office, and the Foreign Trade Ministry, together with the (Electromodula) enterprise, will decide tomorrow on measures to minimalize the incidental damage to the people's economy. [end recording]

PROTEST ON EEC BAN SUBMITTED TO GATT

LD231934 Budapest Domestic Service in Hungarian 1630 GMT 23 May 86

[Text] Hungary has officially protested, after the protest at the EEC, at another international commercial organization, the GATT, against the EEC limitation on Hungarian foodstuffs exports. Ferenc Furulyas, head of a department at the Ministry of Foreign Trade, addressing the GATT Council in Geneva, stated that the discrimination that the EEC made between countries which were in an identical situation after the Chernobyl nuclear reactor accident cannot be justified in anyway. The ban has been imposed only on the Eastern European socialist countries. The representative of Hungary reminded the members of the international trade organization that Hungary, after the accident, provided data on the radiation levels measured in Hungary; it did so on its own initiative and in a regular manner. He also called attention to the fact that the ban seriously affected Hungarian exports because 15 percent of exports earmarked for the EEC are affected by it. He confirmed that the Hungarian authorities remain ready to cooperate with the Common Market to check the Hungarian products from the point of view of health. It has become clear from his words that the Hungarian authorities retain the right to institute possible countermeasures, but that they expect the EEC to withdraw the measures that limit Hungarian export.

ENGINEERING OFFICIAL ON JOINT DANUBE PROJECT

AU181935 Prague RUDE PRAVO in Czech 13 May 86 p 6

[Interview with Miklos Szanto, head of the Hungarian section of the Joint Czechoslovak-Hungarian Operative Group for the Gabcikovo-Nagymaros hydroelectrical power project, by Gejza Vilcek, RUDE PRAVO correspondent in Budapest: "On the Gabcikovo-Nagymaros Project;" place and date not given]

[Text] [Vilcek] Engineer Miklos Szanto, general director of the OVIBER water economy investment enterprise, is the head of the Hungarian section of the Joint Czechoslova-Hungarian operative group in charge of the construction of water projects on the Danube. I talked to him on the state of work and current tasks on the joint Gabcikovo-Nagymaros project.

[Szanto] There are no unclarified, unresolved disputed issues between us. This is possible only where there is comradely cooperation.

[Vilcek] The first turbine at Gabcikovo is to be launched in 1990. Could you tell us something about the tasks of the Hungarian side?

[Szanto] Our major task is now to build the reservoir at Dunakiliti. We also work on the Czechoslovak side, at Hrusov. The speed at which the work proceeds is good so that it will be completed by the time of the scheduled completion of the first bloc at Gabcikovo. The task of the Hungarian side is to excavate 20 million cubic meters of gravel from the tail channel; the Czechoslovak side, in turn, is to remove this gravel and to deposit some of it in the feed channel. This year is the crucial year of construction as the volume of earth-moving work must double. Even Yugoslav enterprises have become involved in this work. I dare say that earth-moving work of this magnitude is unprecedented in central Europe. This year we are also going to start to build protective installations, to resurface roads and tracks, and to divert the tail water on the Nagymaros project as well, which is to be completed later. This year we will carry out work worth 3 billion forints and in the 5-year plan as a whole we will invest 22-24 billion forints.

[Vilcek] What capacities do you employ?

[Szanto] Some 1,200 people work on the project right now, including foreign workers at Dunakiliti. A total of 450 Hungarians work on the tail channel on the Czechoslovak side. By the end of the year the number of our workers on the construction site will reach 2000. Compared with traditional building methods, the work here is highly mechanized -- the laying of foundatons, dredging, earth-moving, and laying concrete, all that is fully mechanized. Last year work proceeded at the planned speed but this year we were caught unprepared by the hugh amounts of snow. There are provisions, however, for making up for the losses in the course of the year.

[Vilcek] Could you tell us something about the speed at which work continues?

[Szanto] Well, it corresponds to the level of development of the two countries. The scheduled duration of construction is realistic from this viewpoint. But comparisons of this sort are always relative. When comparing this project with the construction of a dam that was completed within 3 years after ground-breaking, it will appear to be slow. But when comparing it with projects that had taken just as long to build but were very much smaller and less demanding, we ought to be satisified. Both sides weighed very carefully the amount of means and resources that they can afford to earmark for this project. I am not thinking merely in terms of financial means but what I have in mind, is, for example, also the general shortage of manpower in both countries.

[Vilcek] What will the significance of the finished project for the Hungarian economy be?

[Szanto] It is a joint project and I would like to stress that we will share all its benefits. The 3,680 gigawatt hours of energy the system will provide are only one of its contributions. Our share of 50 percent of this amount of electricity is equivalent to 6 percent of domestic consumption, which will cover a 2-year increase in Hungarian electricity consumption. This will be a peak-load power station and it will cover 25 to 30 percent of the need for peak-time electricity, which is a very high proportion. The essential part of the project is that it makes comprehensive use of the Danube. In addition to supplying electricity and improving river transport, it will contribute to flood protecting and improving the environment, to the development of recreational facilities and growth in tourism, to regulating underground water and, hence, to promoting agricultural activities, and to improving the quality of water not only in the Danube but in the entire Danube basin on our territories.

FURTHER ON AFTERMATH OF CHERNOBYL ACCIDENT

EEC Food Ban Protested

LD231638 Warsaw PAP in English 1440 GMT 23 May 86

[By PAP correspondent Edward Dylawerski" -- PAP byline]

[Text] Geneva, May 23: Addressing the session of the General Agreement on Tariffs and Trade (CATT) Council, Poland's Representative to GATT Malgorzata Secomska launched on behalf of the Polish Government a protest against the EEC dicision to impose a ban on food imports from seven socialist states in connection with the Chernobyl breakdown. Stressing the nature of the action which is incompatible with GATT principles, Poland's representative stated that if one takes into consideration readings concerning the level of radioactive contimation accepted by competent internation organizations, the EEC decision violaties all principles binding in international trade. Pointing to the territorial scope of restrictons, Malgorzata Secomska said that in particular they violated GATT principles on non-discrimination.

The Polish representative informed thr GATT Council about this country's will -- declared by the Polish authorities earlier -- to cooperate with all the interested Poland's trade partners in the field of providing information concerning the level of radioactive contamination of Polish foodstuffs.

The speaker stated that the EEC action, which and a direct influence on trade of a GATT member-state, infringed Poland's rights ensuing from this country's participation in GATT. In this conection, Secomska called on GATT Council to adopt a stand on this issue. In conclusion, the Polish representative expressed the hope that the EEC decisions, in view of an obvious lack of justification in light of GATT's principles, will be called off in the nearest future.

During the session, also representatives of Hungary and Czechoslovakia launched a protest against EEC decision to ban food imports from socialist states, pointing to the nature of decisions taken by EEC as contradictory to the letter of the international law.

The EEC representative to GATT answered that the action undertaken by EEC is of temporary character and confirmed that there is an appropriate exchange of information on radioactive contamination between the Brussel committee, EC, and Poland and Hungary in particular. The representative also pledged to convey the stands of countries who took part in the discussion at the GATT forum to appropriate authorities of the EEC.

IAEA Briefed on Radiation

LD230303 Warsaw PAP in English 2320 GMT 22 May 86

[By PAP correspondent Franciszek Malinowski]

[Text] Vienna, May 22 -- Addressing an extraordinary session of the Board of Governors of the International Atomic Energy Agency, IAEA, the board's vice-president, head of the Polish delegation, chariman of the state atomic agency Mileczyslaw Sowinski briefed the meeting on radiation situation in Poland from April 28 till May 20 this year.

He said that although the situation did not create any hazards to human health, the Polish authorities introduced a series of preventive measures, the decisions made in Poland were considered, accurate and applied in due course, Sowinski said.

Addressing himself to the proposed programmed on the IAEA's future activities, he pointed to the need to unify attitudes towards such cases as the safe level of contaminations. At present, the standards in this field are diverse in different countries which hamper the forecast and assessment of events.

There is also a wide option in applying the standards of the safe level of food contamination. There is no agreement among specialists from different countries on influence of small doses of radiation on human organism. All this illustrates the range or problems and needs concerning radiation in certain situtations according to the supreme cause: Human health.

Government Commission Meets

LD232009 Warsaw Television Service in Polish 1730 GMT 23 May 86

[Text] A meeting of the Government commission was held today, chaired by Deputy Premier Zbigniew Szalajda. It was stated that the radiation in Poland is within limits defined by the Polish standards for normal conditions. Measurements conducted according to the commission's instructions show that, as the result of changing weather conditions, only local and brief periods of contamination occur, which are fully within limits permitted by the regulations and recommendations of the IAEA.

On the basis of measurements taken from 25 to 22 May, the commission confirms that all danger has ceased. In connection with the stabilized radiation level there are no restrictions concerning the consumption of foodstuffs, including vegetables. As a result of this, as of 1 June there will be no rationing of powdered milk for children older than 1 year. The rationing of powdered milk for children up to 12 months is to be maintained, and the allocated amount of this milk is to be increased to 2.5 kg per month for one child.

The commssion heard a report by the Ministry of Foreign Trade on the export of Polish agricultural and food products. The continuation of intensive inspection and information-gathering activity was recommended, which should result in the lifting of restrictions on exports of agricultural and food products to Western states, as these restrictions harm the interests of producers of these products.

The commission heard a report by the chairman of the state atomic agency on the course of deliberations of the extraordinary meeting of the IAEA Board of Governors in Vienna during 20 and 22 May. The Board of Governors adopted a resolution that puts the IAEA director general under the obligation to prepare a draft of international agreements concerning early warning and informing about breakdowns at nuclear power stations, as well as about mutual cooperation and help in such situations.

The commision approved the activity of the Polish delegation and recommended an active participation of the Polish side in these works.

The commission also acquainted itself with the initial draft report on the development of the radiation situation.

Government Response Faulted

LD261656 Hamburg DPA in German 1617 GMT 26 May 86

[Excerpt] Warsaw, 26 May (DPA) -- Women from various Warsaw enterprises have complained about the government's information policy after the reactor accident in Chernobyl. In a letter to the Polish episcopate, which became known in Poland today, the signatories state that although the worst danger has passed, the consequences of the accident will be felt for a long time yet. According to opposition circles, several thousand women from Warsaw's Rosa Luxemburg works and other factories signed this protest. They complain that measures to protect children were not taken until 4 days after the accident and that no basic information had been given to mothers in the decisive days. Instead, the leadership was guided by political considerations. The jokingly addresed announcement of the delivery of sleeping bags and blankets for homeless people in New York by government spokesman Jerzy Urban, during which he had disregarded the "dramatic shortage of powdered milk for our children," was the "height of cynicism." Urban had offered Polish blankets for needy Americans in reply to an American offer of aid consignments.

TRADE MINISTER ON ECONOMIC TIES WITH USSR

AU111020 Warsaw RZECZPOSPOLITA in Polish 21 Apr 86 p 3

[Interview granted by Andrzej Wojcik, minister of foreign trade, to reporter Tomasz Bartoszewicz: "Partnership"; date and place not given]

[Excerpts] In connection with the 41st anniversary of the Polish-Soviet treaty of friendship, mutual assistance, and cooperation a RZECZPOSPOLITA journalist asked Foreign Trade Minister Andrzej Wojcik to describe the development of economic relations between Poland and the Soviet Union.

[Bartoszewicz] It is being said that the development of relations between our states is entering a qualitatively new phase. In what way is this a new phase?

[Wojcik] The enhancement of the process of reorientation toward economic and scientific and technological cooperation with the socialist countries, and with the Soviet Union in particular, is one of the principle elements of our strategy for socioeconomic development. The adoption of a consistent policy of reorientation toward CEMA countries is based on experiences at the beginning of the eighties, which revealed the risks inherent in excessive dependence on economic cooperation with the West. This dependence meant that the policy of restrictions pursued under the auspices of the Washington administration cost our country billions of dollars, seriously aggravated the economic crisis, and delayed the process of economic recovery.

However, the strategy of economic reorientation toward intensified cooperation with CEMA countries also stems from the analysis and evaluation of conditions essential for ensuring Poland's stable development, and the modernization and balanced development of our economy.

The cornerstone for the expansion and enhancement of economic cooperation with the Soviet Union are the decisions contained in the "Long-Term Program for the Development of Economic and Scientific and Technological Cooperation Between the PPR and the USSR Until the Year 2000."

Decisions concerning the upcoming 5-year period were given concrete form during the course of work on the coordination of Polish and Soviet plans for the years 1986 to 1990. This, in turn, made it possible for an agreement on trade and payments between the PPR and the USSR to be concluded on 19 February during a visit to Moscow by a Polish delegation headed by Premier Z. Messner. I had the honor of signing the agreement on behalf of the PPR Government.

[Bartoszewicz] We have already discussed the fact that our economic relations with the Soviet Union are entering a qualitatively new phase. But will this not concern the forms of cooperation engaged in as well the level of trade?

[Wojcik] Yes, that is right. Direct cooperation between enterprises is becoming more and more important. This type of cooperation was started in 1984 when a protocol with the USSR Ministry of Foreign Trade was signed regulating the exchange of goods and services by virtue of direct cooperation between enterprises in the PPR and the USSR. The protocol aims to simplify as much as possible the procedures involved in settling formalities connected with establishing cooperation programs, and to ensure the swift supply of units and parts needed to overcome the effects of break-downs or other unforeseen difficulties in production at enterprises engaged in cooperation.

Another qualitatively new element is without a doubt the USSR's involvement in expanding PPR production capacity and the creation of joint enterprises. During Premier Messner's visit to Moscow the first agreement on the construction of a joint enterprise in the PPR was signed. It will be a potato processing plant. Intensive talks are being conducted on the subject of further agreements. This is because we would like joint enterprises to go into operation as soon as possible.

[Bartoszewicz] In light of such demanding tasks, it will surely be essential for the Polish side to become fully mobilized, especially in the area of exporting to the Soviet Union....

[Wojcik] We must realize that the Soviet market is becoming more and more demanding. The only goods we can sell there are ones which are up-to-date and of good quality. If we are unable to meet this challenge, then our place will be taken by our competitors and we must remember that there is no shortage of people who would like to obtain Soviet raw materials and fuels in exchange for goods. Thus, we must make greater efforts to see to it that we retain our position in the Soviet market for this also lies at the core of partnership between our two countries.

ORZECHOWSKI DISCUSSES HIS ROLE IN DIPLOMACY

LD251449 Warsaw Domestic Service in Polish 1005 GMT 25 May 86

[Interview with Foreign Minister Marian Orzezchowski by correspondent Jerzy Malczynski in the studio; date not given -- recorded]

[Text] [Malczynski] Minister, during the short period you have held the post of minister you have made many foreign trips. Recently you came back from another hemisphere. First you were in Mexico, then made short visits to Cuba and on the way back the Soviet Union, as well as Egypt and Malta.

[Orzechowski] The visits by the minister of foreign affairs, this year and in previous years, emphasize and manifest our presence in the arena of international politics, and the breaking of a barrier which has been built around us by the United States. The visits prove the breaking of the barrier and the normalization of relations with the outside world, above all with the capitalist world, which has the closest ties with the United States.

[Malczynski] I would like to ask about a somewhat a behind-the-scenes matter, which is not talked about and is not known -- namely, talks between ministers of foreign affairs and when you, as a minister, are received by higher representatives of the authorities. These talks in general concern relations between two states. This is included in a communique. It is often said that the issues discussed are of interest to both sides. This is a very enigmatic expression. Is it true that the talks concern merely the issues, for example, between Poland and Mexico?

[Orzechowski] We talk mostly about bilateral issues, but not exclusively. The talks also concern international issues and its various dimensions. It transpires from the philosophy which we share, which we represent, but which is also represented by the majority of states, that the issues of peace, equal security, and cooperation between states of different political system, and above all the issues of peace and security are not the concern of the two great powers alone.

Of course, everyone is aware that the Soviet Union and the United States carry the main burden of responsibility for peace, but all states and nations are equally responsible because peace is indivisible.

[Malczynski] A very interesting and important point in this context is a section in the draft party program which says that both camps are responsible for the solution of universal issues, and that one cannot solve these issues alone.

[Orzechowski] So, there is an immediate question: what we -- Poland and Mexico, Poland and Egypt, Poland and Malta, Poland and Cuba -- can do for peace, security and solving conflicts, where to find convergent interests; where the possibility for cooperation, for example in the United Nations and at international conferences lies; what can be done in this regard.

There are regional issues in which Poland has been particularly involved: The CSCE process; we are a cocreator of this process. In autumn a third stage of this process will be held in Vienna. We put forward an initiative, our Polish initiative that in order to maintain the standing of the conference and the process of security and cooperation in Europe, the Vienna conference should begin with the participation of foreign ministers. Our initiative was adopted in Warsaw by the committee of foreign ministers of the Warsaw Pact member-states.

In all my European trips, this is one of the issues I raised. One has to obtain agreement and the opinions of our partners on such a solution. That is not mentioned in the communiques because the communiques are limited, but there is no issue of a universal dimension which is not raised because we are all aware that today the world is very small indeed.

[Malczynski] If the third stage of the CSCE process in Vienna in autumn is to be a meeting of high standing and prestige as you said, then there are certain matters of protocol. This means that if the ministers of foreign affairs are going to take part, it would be good if they all attend. In this connection, I understand that while talking with European foreign ministers you will try to arrange their participation and support for the proposal, if it is not a secret.

[Orzechowski] we can formulate such an opinion, and receive a reply such as: Yes, very good, a very good idea; we give our full support; we have been also considering that or a reply to the effect that they will consider that and so on.

There is one more important element from the point of view of what is customary in international politics and diplomacy. It is difficult for me to talk about this because I have little experience, but I have already managed to learn that meetings between ministers without a protocol creates the opportunity for very private talks and consultations which otherwise could be held. This is a splendid opportunity because ministers from all over the world meet at the United Nations General Assembly sessions. It is the tradition that our minister of foreign affairs has many converations with foreign ministers not only from Europe, but also from the whole world during these sessions -- and without a protocol. At present this is a very important tool in diplomacy.

SEJM COMMITTEE DISCUSSES RELATIONS WITH FRANCE

LD251522 Warsaw PAP in English 1408 GMT 25 May 86

[Text] Warsaw, May 25 -- The Sejm (Polish parliament) Foreign Affairs Committee has discussed Poland's relations with West European states, France in particular. The meeting was chaired by Deputy Ryszard Wojna. Deputy Minister of Foreign Affairs Tadeusz Olechowski presented the state and prospects of those relations, and Polish Ambassador to France Janusz Stefanowicz provided additional information. The deputies pointed to an improvement in Poland's relations with West European states, stressing that after years of stagnation they were returning to normal but were still limited by the lingering restrictions imposed on Poland. The deputies unanimously came out in favour of full normalization of relations with West European states.

The committee noted signs of gradual normalization in Polish-French relations and added that the December 4, 1985 meeting between President of Poland's Council of State Wojciech Jaruzelski and President Francois Mitterand of France was of special importance for that process. The deputies were of the opinion, though, that the ensuring possibilities to further develop bilateral relations have not been used to their fullest. The committee stressed the role the parliaments of Poland and France could play in further development of friendship and bilateral cooperation. In this context the deputies expressed satisfaction over the prospective visit to Poland by the Polish-French friendship group at the French Senate, scheduled for the first half of July this year. They also expressed the Polish parliament's readiness to develop comprehensive cooperation and contacts with the newly elected French National Assembly.

Discussing Polish-French economic relations, the deputies were critical of continuing stagnation in this field, and recommended that the two countries seek more bold and non-conventional forms and methods of development of that cooperation.

The committee described as unfriendly France's hasty introduction of limitations in the import of certain foodstuffs from Poland after the breakdown at the Chernobyl nuclear power plant.

The committee favourably assessed the development of cultural cooperation, but expressed concern over obstacles and some cuts on the part of the French side in the adopted progamme of cooperation for the years 1984-1986, especially in science and technology.

While perceiving some signs of improvement in the field of information, the deputies were on the whole critical of the state and way of Polish affairs being presented by French mass media. They also suggested the establishment of cooperation between news agencies and radio and television of both states.

SEJM BODIES DEBATE TRADE, OTHER ISSUES

LD232145 Warsaw PAP in English 2027 GMT 23 May 86

[Text] Warsaw, May 23: Sejm committees held their debates here today. Sejm Committee for Cooperation With Abroad and Shipping said that it could support ventures envisaged in the national socio-economic plan and concerning foreign trade and maritime economy. However, deputies believe that it would be necessary to apply more effective pro-export incentives and to create tight correlation between growing financial performance of factories, resulting from exports, and the level of wages of their work force. It was pointed out that the decisions of the draft plan, alas, do not guarantee the realization of all the goals of the state's maritime policy. Among many information discussed during the meeting it is worth mentioning that in the whole five year period, export and import to and from socialist states are to be balanced and to total some 59 billion roubles respectively. Due to Polish debts the gap between the growing export to hard currency zones and import from capitalist states will increase. It is established that in the five-year period the respective values will reach 36 and 27.5 billion dollars.

The government Planning Commission calculated that the minimum value of dollar import should not be lower than 4.5 billion dollar a year, thus it will be impossible to fully satisfy the economy's demand for goods imported from capitalist countries. Therefore, so much effort was taken while coordinating plans with CMEA partners in order to guarantee the growth of supplies of capital goods and raw materials from the socialist states.

Sejm Distribution, Services and Small Business Committee discussed market aspects of the draft national socio-economic plan for the years 1986-1990. The balance of raw and intermediate materials proved that the supplies of marketables in the next five year will be limited. Insufficient means allocated for the improvement of trade work and development of bakeries as well as untapped reserves resting in small business arouse deputies' concern. Therefore, deputies postulate that a special economic-financial system for this branch of economy be worked out.

Sejm Industry Committee discussed the state of production and supplies of durables produced by enterprises of metallurgy and engineering industries for the needs of the domestic market. Deputies believe that it is necessary to improve the quality and functionality of the offered commodities.

According to Sejm Environment and Natural Resources Committee, the work of the state supervision for environmental protection is not satisfying. It was stressed that the lack of specialized cadres and modern equipment make it impossible for the state inspection to play the role of the model centre. It was pointed out that it was necessary to improve cooperation of the institution with the state sanitary supervision.

During its debates, the Sejm Defence Committee presented the work of military scientific-research institutes. It stressed tight links between scientific work in military institutes and national economy. Projects developed in the institutes bring progress and multimillion savings in various domains of technology.

While discussing the future of the container transport system, deputies in the Sejm Transport and Communications Committee pointed to the necessity of defining the target model, organization and principles of financing this kind of transport. Poland's share in the international trade exchange largely depends on the fact whether goods will be sent and collected in containers.

Complaints on municipal economy were subject of debates at Sejm Complaints and Motions Committee. Many of the 10,000 problems submitted to the Sejm by citizens concerned incorrect distribution and mismanagement of apartments. Regulations pertaining to changes of flats, currently in force, were viewed as of no avail.

GOVERNMENT PRESIDIUM VIEWS CHEMICAL INDUSTRY

AU111024 Warsaw TRYBUNA LUDU in Polish 29 Apr 86 pp 1, 2

[Text] PAP -- The 28 April session of the Government Presidium examined problems of the chemical industry and agreed that it is necessary to continue to modernize and develop the chemical and oil industry. The 1986-90 program in this connection provides for a speedy development of the sectors that are essential for food supplies and the health of the people -- the production of synthetic fertilizers, plant protection chemicals, soap, toiletries, medicines, and sanitary articles. Main targets of the program are to reduce the import intensiveness of the chemical industry, to balance supply and demand, and to intensify exports of refined products at the right time. The Government Presidium stressed that the implementation of the program will be possible because of the close cooperation with the CEMA countries, especially the USSR.

To improve the flow of soaps and detergents the Government Presidium decided to modernize and intensifdy the production of these articles in 1986-92. It is expected that by 1992 the production of detergents will increase 30 percent, of washing soap 47 percent, of shampoos 52 percent, and of tooth paste 57 percent.

The Government Presidium studied the flow of medicines and sanitary articles and noted that the implementation of the 1985 planned tasks had improved this flow. Although the 1986 planned supply of domestic and imported medicines continues to be satisfactory, the demand for medicines still outstrips the supply. In this difficult situation the Government Presidium has instructed the appropriate government bodies to urgently submit suggestions for improving the supply of medicines. Initial plans provide for an additional production of pharmaceuticals and sanitary articles worth approximately Z4 billion. This productiohn would save us making purchases with convertible currencies in the capitalist countries. The Government Presidium stressed that it is necessary to be rational in using medicines and sanitary articles.

The Government Presidium discussed preparations for sending children, young people, and students for vacations and tourist activities in the GDR, the USSR, and the CSSR under the arrangements for youth vacation exchanges. Some 160,500 Polish children and teenagers will spend their vacations in the GDR camps and labor corps in pleasant surroundings. This is 6,000 more than last year. Almost 20,000 young people will go as tourists to the USSR and about 10,000 to the CSSR. These trips will be arranged by youth travel bureaus. At the same time, Poland will provide the same tourist facilities for almost 160,000 young people from the GDR, the USSR, and the CSSR.

The Government Presidium adopted a draft decree of the Council of Ministers on the revaluation by socialized enterprises of their stocks and on the principles in line with which this revaluation should modify their budgets.

RCP COMMITTEE VIEWS CEAUSESCU'S MOSCOW VISIT

AU231944 Bucharest AGERPRES in English 1920 GMT 23 May 86

[Text] Bucharest AGERPRES 23/5/1986 -- During a meeting of the Executive Political Committee of the CC of the RCP held on May 23 in the afternoon, Nicolae Ceausescu, party general secretary, read an account of the friendly working visit paid on May 16 to the Soviet Union, as guest of the Central Committee of the Communist Party of the Soviet Union and of the Presidium of the Supreme Soviet of the USSR.

The Executive Political Committee stressed the importance of the talks between Nocolae Ceausescu, general secretary of the Romanian Communist Party, president of the Socialist Republic of Romania, and Mikhail Gorbachev, general secretary of the Central Committee of the Communist Party of the Soviet Union, which are part of the Romanian-Soviet summit dialogue, decisive factor in the continual development of the collaboration and friendship between the two parties, countries and people.

The Executive Political Committee pointed out that the results of the meeting of the two party leaders found expression in the documents and accords reached on the occasion. Emphasis was placed on the utmost importance of the Long-Term Programme on the Development of Economic and Technico-Scientific Collaboration Between the Socialist Republic of Romania and the Union of Soviet Socialist Republics Until 2000, signed, at the end of the talks, by Nicolae Caeusescu and Mikhail Gorbachev. It was shown that the fulfilment of the provisions of that programme would induce a substantial growth of the goods exchanges, the deepening of the cooperation and specialization in production, the meeting, to a larger extent, of the needs for raw materials, fuel, machines and equipment, consumer goods, intensification of the collaboration in science and technology, in other sectors of activity.

The importance was underscored of the accord on cultural collaboration between the Socialist Republic of Romania and the Union of Soviet Socialist Republics, for 1986-1990, concluded during the visit.

Assessing the importance of the signed documents, Nicolae Ceausescu pointed to the need to take all measures to translate into life the accords on the development of economic exchanges, of collaboration and cooperation in production, in technology and science, in other domains of mutual interest.

The conviction was expressed that the broad promotion of the fine relations between the Socialist Republic of Romania and the Union of Soviet Socialist Republics, based on the principles of fully equal rights, mutual advantage and comradely aid is to the benefit of both peoples and countries, of the general cause of socialism and peace.

The Executive Political Committee highlighted the importance of the exchange of views conducted by Nicolae Ceausescu and Mikhail Gorbachev in connection with the evolution of the world political life. Emphasis was placed on the two party leaders' mutual assessment that in the current complex and grave international situation it was necessary that firm action be taken for the settlement of the fundamental issue of our epoch, meaning the defense of peace, the halting of the dangerous arms race, a passage to concrete measures of disarmament, nuclear above all, the cessation of the tests with atomic weapons and the elimination of the danger of a nuclear catastrophe.

It was stressed with satisfaction that the two party leaders reiterated during the talks the determination to further strengthen the multilateral friendship and collaboration between the RCP and CPSU, between the Socialist Republic of Romania and the Soviet Union.

The Executive Political Committee stressed that Nicolae Ceausescu and Mikhail Gorbachev expressed the two countries' will to actively collaborate in the world arena, to contribute, along with the other socialist countries, with all progressive, democratic, peace-loving forces, to the promotion of the policy of detente and disarmament, to the establishment in Europe and the world over of a climate of security, understanding and broad international collaboration.

Executive Political Body Meets

AU241416 Bucharest AGERPRES in English 0950 GMT 24 May 86

[Excerpt] Bucharest, AGERPRES 24/5/1986 -- The Executive Political Committee of the CC of the RCP met under the chairmanship of Comrade Nicolae Ceausescu, general secretary of the Romanian Communist Party, in the afternoon of Friday, May 23. The Executive Political Committee discussed and approved a draft decree on the fund for the working people's contribution to production and profit-making and profit-sharing, and on the premium fund for 1985 as well as the quotas of these funds for 1986. It was stressed that in accordance with the normative acts, account was taken in setting the funds for ministries, other central and local bodies and central industrial departments not only of the fulfilment of the profit-making tasks, but also of the provision of higher incentives for the personnel working in economic enterprises that make production for export. Also, of the fact that adding to the fund for the working people's contribution to production and profit-making and to profit-sharing was the incentives fund for the personnel who contributed to a higher-than-planned rise of productivity, to a decline of material consumptions, to the fetching of better-than-expected prices on foreign markets and to extra profit-making, as a result of the putting to production of the findings of research, inventions and innovations.

The Executive Political Committee heard Comrade Nicolae Ceausescu's remarks on his recent working visits to the Counties of Satu Mare, Maramures and Salaj. The party general secretary assessed the visits to have gone very well, having been opportunities for the working people to powerfully express their attachment and confidence in the RCP foreign and home policies, for industrial and agricultural workers, intellectuals, the whole people to show their will of firmly implementing, closely united around the party, the decisions of the 13th party congress, the programme of building the multilaterally developed socialist society in Romania and its advancement to communism. The industrial and agricultural working people's concern to take measures for the fulfilment of the plan for this year and the five years, of the additional programmes of raising production agreed of late by the party and state leadership was apparent everywhere. Moreover, a better organization of work as a result of these measures was said to result in an extra high-quality high-efficiency production. The party general secretary also spoke about shortfalls and problems existing in the agriculture of these countries, in industry, and in town and village-planning, and urged immediate steps to end them. On the basis of the assessments made during the visits, Comrade Nicolae Ceausescu showed that the support and control work of the Central Committee, of its secretariat and Executive Political Committee should be better organized so that party and state resolutions, the laws of the country take effect and be implemented in counties. The present system was agreed to be revised in order to increase the responsibility of Executive Political Committee members, of party and state activists for work in every country in order to best implement all party measures for the fulfilment of the production and export plans, of the programmes of raising productivity and economic efficiency, improving the performance and quality of production, raising the contribution of each country to general development. The Executive Political Committee assigned the Central Committee's Secretariat the task of drafting a support and control plan due to take effect as early as this June. It was

accordingly agreed that county party committees and bureaus should organize support and control work in towns and communes. All these measures were said to lead to a higher responsibility of all party workers to more promptly solve the problems for the best fulfilment of the party and state decisions.

Further Details

AU241851 Bucharest AGERPRES in English 1623 GMT 24 May 86

[Text] Bucharest AGERPRES 23/5/1986 -- The Executive Political Committee of the CC of the RCP debated and passed a draft decree regarding the fund for the working people's participation in the materialization of production and benefits and in sharing the benefits, and the fund of prizes for the year 1985 and the quotas for the setting up of these funds.

The provisions on principle regarding these funds -- part and parcel of a new economic and financial mechanism being generalized in Romania -- were passed by the March 1978 plenary meeting of the CC of the RCP, and later benefitted by a series of improvements. According to these stipulations the planned benefits made by the state enterprises are used to refund the sums received from society and to set up the centralized funds of the state. On the other hand, after the units have fulfilled these obligations, the resulting benefit is left for their self-financing, that is, for creating the funds needed by the enlarged reproduction, the fund for circulating assets, the fund for housing construction and other forms of social investment, the fund for social actions, and the fund for the participation of the working people in the benefits. The last mentioned fund feeds from a quota going up to three percent of the planned benefit (average at the level of the economy). In case benefits are achieved in excess of the plan the mentioned sums are added a quota going up to 25 percent of these benefits. At the same time the fund for participation in the benefits is enchanced with a sum corresponding to a share going up to 10 percent of the benefit achieved in access of the plan by overfulfilling the export tasks. These funds may grow with no limit, according to the rise in the benefits of the enterprise. The amounts going to individuals as a form of participation in the benefits are established by the enterprise council of the working people, in keeping with the contribution made by each member of the collectivity to the development of the unit and to the making of the respective benefits. Experience has proved that the participation in the benefits is an important lever in the implementation of the economic and financial self-administration, self-financing and worker self-management, contributing substantively to a rational husbanding of materials and money, to a more efficient activity.

COMPARISON OF CEAUSESCU BAIA MARE RALLY SPEECH

Bucharest SCINTEIA in Romanian on 23 August carries on pages 1, 3 the "text" of the speech Nicolae Ceausescu delivered at the 22 May Baia Mare mass rally. The SCINTEIA "text" has been compared with the Bucharest Domestic Romanian version published in the 23 May Eastern Europe Daily Report, H 2 - 6, revealing the following variations:

Page H3, second paragraph, last line reads in SCINTEIA: ...communism. [cheers, chants] [new paragraph]

During the current 5-year plan period, we continue to pay particular attention to the issues of energy and raw materials. Maramures plays an important role in this respect, considering that it must ensure a great share of the ores such as copper, lead zinc, and others, needed by our national economy. [new paragraph] In the past...supplying passage.

Same page, fifth paragraph, lins two and three read...machine-building and furniture enterprises. There too...supplying indistinct word. Page H4, third paragraph, lines seven through eight reads: ...[Ceausescu corrects himself] and Sighetu Marmatiei, and the other localities, communes, and limited construction areas, in order to...supplying indistinct words.

CEAUSESCU ADDRESSES TRADE UNION CONGRESS 25 APR

AU070601 Bucharest SCINTEIA in Romanian 25 Apr 86 pp 1,3

[Speech by RCP Secretary General Nicolae Ceausescu to the opening session of the General Union of Romanian Trade Unions, in Bucharest on 24 April]

[Text] Dear comrades, at the opening of the congress of the General Union of Romanian Trade Unions [GURTU] -- the working people's great democratic forum -- I take great pleasure in addressing all delegates and guests, on behalf of the RCP Central Committee, the State Council and the government, and on my own behalf, warm, revolutionary, greetings and best wishes. (loud, prolonged cheers and chants; prolonged chants of "Ceausescu, Romania, our Esteem and Pride!", "Ceausescu and the people!")

The congress will take stock of the work done and the trade unions' contribution to fulfilling the 1981-85 5-Year Plan. It will set forth guidelines for future work with a view to uniting all the working people's efforts to unflinchingly implement the objectives of the 13th RCP Congress on the socioeconomic development of our homeland and raising it on to new peaks of progress and civilization. (loud, prolonged applause)

More than 100 years have passed since the first workers' associations, then workers' revolutionary trade unions were created. Throughout this period, the trade unions have been intensively active in defending the vital interests of the workers class and other working people. They actively participated in the political struggle against the bourgeois-landlord system, to bring about the antifascist and anti-imperialist revolution for social and national liberation and later, they played a particularly important role in bringing about the victory of socialism and in building the new system in our homeland. (loud, prolonged applause)

One can say that in all this period there has been no major event in which the workers class -- the most advanced force of our society -- the peasantry and intelligentsia organized in trade unions or other organizations, did not actively participate or did not express their views about the development of our homeland and about ensuring Romania's independence and sovereignty. (loud applause)

In the spirit of these revolutionary traditions, during the past 5-year plan period, the trade unions carried out an important activity, as is well known, in 1981-85 the Romanian people attained outstanding achievements in increasing their production forces, in generally developing the homeland, and in raising the people's material and cultural level. In the Seventh 5-Year Plan period, industrial output increased by 21 percent, agricultural output by more than 10 percent, and the national income by more than 24 percent. On this basis, the country's general development and the increase of the working people's real pay by 8 percent and the peasantry's by about 12 percent has been ensured.

Accordingly, the other branches of activity also registered an important development. The activities of scientific research and perfecting education improved, and so did the political-educational activity of shaping the new man, the conscious leader of socialism -- a fundamental factor in successfully building socialism in Romania. (loud, prolonged applause)

As I have mentioned on other occasions too, during this period we had to overcome many difficulties -- some of them caused by the international economic crisis and others by some contraditions that emerged in our society, as well as by a number of shortfalls and deficits that were manifest in various sectors of activity. Now, we can state, with justified pride, that we have overcome many of these difficulties and ensured the general socioeconomic progress of the homeland and that our country has traveled another important stage on the road of building the comprehensively developed socialist society and of creating the necessary conditions for the country's advance toward communism. (loud and prolonged cheers and chants; chants of "Ceausescu RCP!", "Ceausescu, Heroism, Romania, Communism!")

The supreme judges, reality and life -- demonstrate, with the undeniable force of facts, the correctness of our Communist Party's policy, which, in all its activity, follows the principles of scientific socialism and firmly applies the objective laws to the conditions and realities prevailing in our country (loud applause)

In its entire activity, our party proceeded and proceeds from the fact that socialism can be achieved in a great variety of forms and it differs from one country to another. Only by taking into consideration the historical and national realities and the traditions of each nation and by firmly applying the principles of socialism and the objective laws can we ensure the successful construction of socialism and communism.

At the same time, all the great achievements are the result of the self-denying work carried out by the workers class, peasantry, intelligentsia, and all the other working people, regardless of nationality, who unflinchingly implement the domestic and foreign policy of the RCP, the leading political force of the Romanian socialist society. (loud and prolonged applause; chants of "Ceausescu RCP!", "Ceausescu and the people!")

In attaining all these achievements, an important role was played by the trade unions, which worked intensively to organize and unite the working people in fulfilling the programs of socioeconomic development, improving the material and cultural well-being, and continuously strengthening our homeland, Romania's independence and sovereignty. (loud and prolonged applause)

For the outstanding successes achieved in the general development of the homeland, from the high rostrum of the GURTU congress, I extend to all trade union members, to the working people, and to all our nation, warmest congratulations and wishes for ever new successes in the future! (loud applause and cheers; chants of "Ceausescu and the People!", "We Will Work and We Will Fight, the Country We Will Build!")

Dear comrades, all our people, with all their forces have moved on to the fulfillment of the eighth, 1986-90 5-Year Plan and the implementation of the 13th RCP Congress decisions and guidelines for the new stage of fulfilling the program of building the comprehensively developed socialist society and the country's advance toward communism.

The strategic objective of this stage is Romania's transition from the level of a developing country to the new, higher level of average developed country. For this purpose, we give priority to the intensive development of industry, agriculture, and all the other socioeconomic branches. We take most resolute action to achieve a new quality of work and life. This requires total engagement in implementing the new scientific-technological revolution -- a paramount condition for fulfilling the 13th RCP Congress objectives.

We will have to do even more to increase our scientific and technological research and to perfect all fields of activity. We will have to do even more to improve our work in training and shaping the labor force and other cadres, and forming the cultural and political-educational work to develop the revolutionary awareness of our working people and nation.

During the current 5-year plan period, industrial production will increase annually by 7 percent, agricultural production by 5-6 percent, and the development of all the other branches is envisaged accordingly. One can say that the 1986-90 5-Year Plan represents a decisive stage in implementing the party program of developing production forces and ensuring a strong technical and material base for the continuous progress of our homeland.

We must attach particular attention to expanding economic relations of cooperation with all CEMA member socialist countries, with all socialist countries, as well as with developing countries and developed capitalist countries, on the basis of the principles of equality and mutual advantage.

Decisive measures must be taken in order to increase exports, as one of the decisive conditions for ensuring the unflinching implementation of the country's socioeconomic development program.

The successful fulfillment of the Eighth 5-Year Plan provisions will ensure an annual increase of national income by about 8-10 percent. This will enable us to ensure the necessary means for continuously developing the production forces and our socialist society and for raising our people's material and cultural well-being -- the supreme goal of our communist party's policy, the essence of the comprehensively developed socialist society we are successfully building in our homeland. (loud and prolonged applause; prolonged chants of "Ceausescu and the people!" "Ceausescu, Romania, Our Esteem and Pride!")

Life and the experience of the past 40 years of socialist construction, but particularly of the past 20 years, have forcefully demonstrated that, by allocating a significant part for the development fund we can continuously strengthen the state and cooperative socialist property and ensure the necessary technical and material means for the consistent development of the homeland and on this basis, improve the people's general well-being. Any reduction of the development fund and the unjustified increase of consumption would seriously affect the future of our homeland. Therefore, our party is firmly determined to continue to most consistently work in the future to strongly develop the production forces, the technical-material basis, science, culture, and education and to consolidate and develop the state and cooperative socialist property -- the basis for successfully fulfilling the party program of proceeding to the attainment of the golden dream of mankind, communism in Romania! (loud applause and cheers; chants of "Ceausescu RCP!", "Ceausescu Heroism, Romania, Communism!")

Dear comrades, in implementing the objective of the current 5-year plan, we continue to pay particular attention to developing our own energy and raw material resources. Along with strongly developing electrical power production and other materials, we will have to increase our efforts to reduce raw and other material consumption and reutilize the energy and material resources.

We must most resolutely work to improve continuously the quality of Romanian products and raise their technological level, so that they can complete with the best products at international level.

Likewise, it is necessary to work resolutely to implement the programs for the scientific organization of production and labor and a more marked increase of labor productivity, on the basis of introducing mechanization, automation, and robots in the production processes.

In this respect, the firm application of the overall contract system in all sectors -- an expression of the socialist principles of remuneration -- plays a very significant role. On this basis, it can be ensured that each worker acts with his entire creative capability for the country's development and is paid in accordance with the work he does. We proceed from the fact that there is no limit to the incomes of the working people. They increase in accordance with the production achieved and the contribution made to fulfilling the development plan. At the same time we will not guarantee an income without work.

As I have mentioned on other occasions too, our socialist country ensures working conditions for all citizens and will do everything in future also, so that all our people can have working conditions in peace and quiet, in order to ensure progress, well-being, and happiness! (loud applause and cheers; chants of "Ceausescu and the People!", "Ceausescu, Romania, our Esteem and Pride!")

We are firmly applying and will continue to apply the socialist principle of remuneration, "from each according to his abilities, to each according his work," and the principle "no work without bread, no bread without work." In our socialist society there is no place, and will not be any place, for those who want to live without work or by exploiting other people's work! (loud, prolonged applause)

We have accomplished a society of justice and of social equity.

We must clearly understand that an absolute leveling and equalizing of incomes cannot be achieved. Likewise, we have worked -- and certainly will continue to work -- to maintain an equitable relationship between large and small incomes; but, on the basis of the overall contract system principles, there are no limits to incomes from work.

In order to achieve the objectives of socioeconomic development, we must strongly increase self-management and self-administration and we must firmly apply the new economic mechanism in all fields, and ensure a continuous increase of profitability and economic efficiency in all the socioeconomic sectors.

We most resolutely act to perfect management and planning, starting from the need for all work for the homeland's development to be carried out on the basis of the uniform plan for socioeconomic development.

We have worked out a new, democratic system of management for the entire socioeconomic activity, which ensures the working people's direct participation in the management of the units in every sector and in formulating our country's general domestic and foreign policy.

The working people's councils and the general meetings of owners, producers, and end-users of everything that is being achieved in our country are the broad and democratic framework for asserting the force and creative capability of the workers class, peasantry, intelligentsia, and all the social categories.

An important role within the system of the workers democracy is played by the working people's congress, the peasants' congress, the congress of science and education, and the other congresses and national councils that are elected to manage all fields of activity.

We can say that we have a broad, democratic framework -- unique of its kind -- superior to any form of bourgeois democracy. We must perfect and clearly increase the role these democratic forces play in managing all sectors of activity.

There is a lot of talk about democracy in some countries where the workers class and the people's masses are not ensured the opportunity to participate in management; and to these who say that their forms of democracy are better we propose discussion. When they create and ensure the general access of the workers class to the management of enterprises and the country, then we will agree with them that they have indeed achieved a broad democracy. Our democracy is the people's democracy, the democracy of those who are masters of production and their own destinies; it is the democracy of a people who are consciously building their free and independent future -- communism! (loud applause and cheers; prolonged chants of "Ceausescu and the People!", "Our Esteem and Pride, Ceausescu, Romania!")

We must constantly bear in mind that the development and improvement of the workers' revolutionary democracy is an objective requirement -- the decisive factor for successfully building socialism and communism. We constantly proceed from the fact that we are building socialism with the people and for the people; we will do all we can so that the people -- the true builders of history and of everything that is being created in our society -- are able independently and consciously to forge their golden future, their communist future in quiet and peace. (loud, prolonged applause)

Within the framework of the workers revolutionary democracy, trade unions have a particularly important role to play in uniting the efforts of the people's masses to unswervingly fulfill the plan and programs on socioeconomic development. They are the largest organizations of owners, producers, and end-users and they must act to ensure the organized participation of the masses in the management of all areas and of all society.

Focusing their activity on fulfilling the production plan and on all targets of our homeland's development, trade unions must also pay particular attention to social problems, working and living conditions, and to resolutely implementing the provisions of the law, and the measures aimed at constantly improving the material and cultural standard of living of the working people.

Special attention must be paid to constantly improving the level of professional and technical training. We must proceed from the fact that only by constantly acquiring the latest technological and professional knowledge will better quality and a higher technological level of production be achieved and only thus will the requirements of the new technological-scientific revolution be constantly achieved!

At the same time, the trade unions -- together with the state and social bodies and organizations -- must carry out extensive political-educational activity to improve the socialist awareness of the masses and to fashion a new man, conscious builder of socialism and communism.

In our overall political-educational activity we must always proceed from the revolutionary, dialectic-materialist, and historic concept about the world and life. It is on this basis that we should always act to broaden the horizons of knowledge of all working people and all our people.

For this purpose -- once again I want to stress -- trade unions must closely cooperate with the creative unions, with the press, radio, television, and with all bodies whose mission it is to improve the people's revolutionary awareness on the basis of the most modern achievements of science and human knowledge.

It is also necessary to intensify the actvity of determinedly combating obscurantism, the various backward manifestations and customs, and the alien mentalities and ideas that make their way into our country by various means. Let us firmly combat nationalism and chauvinism in any form! Let us carry out extensive activity of educating the masses in the spirit of solidarity and complete unity within the socialist Democracy and Unity Front under the political leadership of the RCP! (Loud, prolonged applause, cheers; chants of "Ceausescu RCP!" and "Ceausescu and the People!" and "Ceasusesu, Romania, Our Esteem and Pride!")

At the same time, trade unions must carry out broad activity aimed at developing relations and educating the masses in the spirit of solidarity with the workers class, with the progressive and anti-imperialist forces everywhere, and with all peoples advocating independence, freedom, peace, and equal cooperation among all nations in the world.

As you can see, dear comrades, I have not voiced -- I can say -- any criticism about the activity of the trade unions. I was thinking whether I should do so or not. I would not like you to interpret this as having nothing to improve in the activity of the trade unions. However, I have proceeded from the conviction that during the congress the delegates, the participants in the congress, will examine the activity they have carried out in a critical and self-critical way. Thus I anticipated that the congress proceedings would take place in a critical and self-critical spirit, because only thus can we establish the way to improve our future activity and to increase the role of trade unions in the overall activity aimed at our homeland's development. (loud, prolonged applause; chants of "Ceausescu and the People!" and "Ceausescu, Romania, Our Esteem and Pride!")

We are the beginning of a new 5-year plan. We have everything that is necessary available and we have a comprehensive long-term program. What is decisive now is to ensure better order and discipline and a proper organization of the activity in all areas! In this respect, it is necessary for trade unions and the congress to determine an improvement in the overall activity of uniting all our people in implementing the targets of our homeland's development and of elevating it to new heights of progress and civilization.

Let us do all we can to constantly strengthen Romania's material and cultural potential, to improve our people's general well-being, and to strengthen our socialist homeland's independence and sovereignty! (loud, prolonged applause, cheers; prolonged chants of "Ceausescu and the People!" And "We Will Work and Struggle To Elevate Our Country!")

Dear comrades, the fulfillment of the targets aimed at our country's socioeconomic development and at improving our people's general well-being can be achieved successfully only in conditions of peace. Proceeding from this reality, the SR of Romania is promoting very consistently an international policy of cooperation with all states in the world, irrespective of social system. We have acted and continue to act to establish relations among states on the principles of complete equality of rights, respect for national independence and sovereignty, noninterference in domestic affairs and mutual advantage, and renunciation of the use or threat of force in international relations.

The internatinoal situation continues to be particularly serious and events have taken place of late that have sharpened tension and increased the danger of war. The arms race and the stockpiling of nuclear and other kinds of mass-destruction weapons continue. Taking into consideration this situation, Romania believes that the basic problem of our time is to halt the arms race and proceeding to disarmament, primarily nuclear disarmament.

We fully support the program proposed by the Soviet Union on the stage by stage scrapping of nuclear weapons. We believe that everything must be done to achieve, as soon as possible, an accord on halting the deployment of new intermediate-range missiles in Europe and then eliminating ones in place.

Of exceptional importance is halting nuclear tests as a true expression of the desire to proceed to gradually eliminating the overall arsenal of nuclear weapons.

From the rostrum of the congress of the General Union of Trade Unions, we want to appeal to the United States to halt nuclear tests and join the moratorium proposed by the Soviet Union! One must bear in mind that by continuing tests and the production of new nuclear weapons the road is opened for other states to take the liberty to proceed to testing and producing nuclear weapons.

Romania believes that it is necessary to also proceed to formulating a general program for disarmament which will focus on nuclear disarmament and which will also incorporate all conventional weapons, arms and troop reduction, and military expenditures. Only thus will better conditions be created to strengthen trust and to achieve progress in nuclear disarmament, in lessening the danger of a war, and in ensuring peace. (loud applause, cheers, chants of "Ceausescu, Peace!" "Disarmament, Peace and Friendship!")

From the rostrum of the Romanian Trade Union Congress, too, I want to express our deep concern and to state that we condemn the aggressive actions of the United States against Libya. The bombing raid of the U.S. Air Force on Tripoli, Banghazi, and other localities in Libya is a flagrant violation of international law and of the sovereignty and independence of a nonaligned country. We ask the United States to completely put an end to such actions!

The attempt by the United States to justify the bombing raid on Libya as an action of combating terrorism can by no means be accepted. Terrorist actions cannot be fought by state terrorism by bombing the cities and localities of an independent country, and by aggressive actions which claim victims among men, women and innocent children!

The RCP has always spoken out against terrorism, which does not represent -- and cannot represent -- a form of political of national liberation struggle. Romania firmly opposes terrorist actions and all the more so it opposes any military action and state terrorism against innocent people, independent states, and peoples.

Considering the seriousness of the international situation, Romania appeals to all peoples to intensify actions to halt the arms race, to achieve general disarmament, primarily nuclear disarmament, and relations of cooperation with all states, irrespective of social system. Precisely under the current difficult circumstances it is necessary for us to do all we can to change the dangerous trend of events, to determine the renunciation of the use or threat of force, halt the arms race, and to protect the supreme right of people and nations to existence, life, freedom, independence, and peace! (loud, prolonged applause, cheers; prolonged chants of "Ceausescu, peace!" "Ceausescu, Romania Peace and Friendship!" and "Disarmament, Peace!")

We firmly advocate the cessation of military conflicts in various parts of the world and the solution of problems by negotiation alone.

We believe that everything must be done to overcome the current difficult economic situation and to achieve a new world economic order. For this prupose, we are for an international conference within the United Nations with the participation of the developing countries and the developed countries with a view to formulating a new economic policy and resolving the problems of foreign debts of the developing countries. It is in the interest of all states that economic relations be placed on the principles of equality and mutual advantage, that the resumption of a normal economic activity and the balanced development of the world economy be ensured.

Although the international situation continues to be serious, we are fully convinced that the peoples and the progressive forces have the necessary strength to change the trend of events. It is necessary to strengthen the unity of those forces and their joint struggle!

In this general activity a decisive role devolves on the workers class, which continues to be the strongest social force and whose joint interests are directly linked to ensuring peace, eliminating social inequalities, and ensuring conditions for the normal progress of the activity aimed at socioeconomic growth and ensuring the freedom and independence of each nation. (prolonged applause, cheers; prolonged chants of "Ceausescu, Peace!" and "Ceausescu, Romania, Peace and Friendship!")

In the current very serious international circumstances, the appeals regarding the unity of the workers class in all countries are more topical than ever before. The appeals formulated last century: "Proletarians of All Countries Unite!" are still valid and are more topical than ever. They must be completed with the appeal for the unity of all progressive and anti-imperialist forces and for the unity of all peoples who want to be independent and free, to live without wars, and who want to live in peace! (loud, prolonged applause, cheers; prolonged chants of "Ceausescu, Peace!")

Within this framework, I think it is necessary for the Romanian trade unions and for the workers class in our homeland to intensify their contacts and solidarity with the trade unions and working people everywhere.

It is necessary to take firm action to strengthen the unity of trade unions and the workers class -- a decisive factor in the struggle for economic and social progress, for a world of peace and independence, and for a world without weapons and wars in which each nation may develop freely, without fear of outside aggression. (loud, prolonged applause)

From the rostrum of the congress of the General Union of Trade Unions, once again I would like to express the Romanian people's firm determination to do all they can to develop cooperation with all states in the world and to act with all their energy to contribute to disarmament, to prevent war, and to ensure peace and the peoples' bright, free, and independent future! (loud, prolonged applause, cheers; prolonged chants of "Ceausescu, Peace!" "Ceausescu, Romania Peace and Friendship!")

Dear comrades, once again I would like to express the conviction that the proceedings of the congress of the General Union of Romanian Trade Unions will perfect and improve their activity, increase the role of trade unions in our socialist society, and unite the efforts of the broad people's masses to fulfill the plan for this year and the 5-year plan, and the party program in order to ensure a more and more vigorous development of the forces of production, science, culture, and to constantly increase our people's material and cultural standard of living, raise our homeland to new heights of progress and civilization, and constantly strengthen Romania's independence and sovereignty! (loud applause, cheers: prolonged chants of "Ceausescu, RCP!" and "Ceausescu and the People!")

With this conviction I wish complete success to the congress proceedings and I wish the participants in the congress, the working people, and our whole people new successes in all areas! Much good health and happiness! (Loud, prolonged applause; prolonged chants of "Ceausescu, Romania, Our Esteem and Pride!" "Ceausescu, RCP!" "Ceausescu and the People!" and "Ceausescu, Heroism, Romania, Communism!" In a warm atmosphere of great enthusiasm and great unity, all those present in the congress hall stand up and give lengthy applause to the RCP -- the leading political force of the whole nation -- the party secretary general and president of the SR of Romania, Comrade Nicolae Ceausescu.)

'SIGNIFICANT DROP' IN RADIOACTIVITY REPORTED

AU261724 Bucharest AGERPRES in English 1701 GMT 26 May 86

["Communique" -- AGERPRES Headline]

[Text] Bucharest, AGERPRES 26/5/1986 -- Over the last few days there has been a significant drop in air, water and soil radioactivity, which points to an obvious trend toward the natural background. Vegetables and fruit may be eaten in normal conditions. Environmental monitoring will proceed through the national network of environmental radioactivity control.

CEAUSESCU RECEIVES FATAH'S SALAH KHALAF

AU231855 Bucharest AGERPRES in English 1842 GMT 23 May 86

[Text] Bucharest AGERPRES 23/5/1986 -- Friday afternoon, Nicolae Ceausescu, general secretary of the Romanian Commuist Party, president of the Socialist Republic of Romania, received Salah Khalaf, member of the Revolutionary Council and of the Central Committee of Al Fatah, who is visiting Romania.

In behalf of the chairman of the PLO Executive Committee and of the Palestine Liberation Organization, Salah Khalaf expressed profound gratitude to the Romanian Communist Party, to the Romanian Government and people, personally to President Nicolae Ceausescu, for the constant support granted to the fight waged by the Palestinian people to win their inalienable rights, to attain their legitimate aspirations.

President Nicole Ceausescu reiterated the Romanian Communist Party's Socialist Romania's and the Romanian people's resolve to further back, in all firmness, the Palestinian people's cause.

Current questions of the international political life were approached and special attention was given to the situation in the Middle East.

Nicolae Ceausescu pointed out that efforts and political and diplomatic actions should be intensified, new initiatives should be launched for a global, negotiated settlement of the situation in the Middle East, for the achievement of a lasting peace in that region. The need and importance were stressed of calling and holding an international conference, under the UN aegis, to provide a favourable format for direct negotiations with the participation of all concerned parties, including the Palestine Liberation Organization, the only legitimate representative of the Palestinian people. Likewise, the importance was revealed of the strengthening of the organizational unity and force of the PLO, of the development of collaboration and strengthening of the Arab countries' unity, basic prerequisite for the resolution of the Mideast situation.

BRANKO MIKULIC ADDRESSES SFRY ASSEMBLY

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["Branko Mikulic Speech in the SFRY Assembly" -- BORBA headline]

[Text] Belgrade, 16 May -- I wish to use this occasion to thank the SFRY Presidency for their confidence in me by proposing me as a candidate for the president of the Federal Executive Council, then to organs and organizations in the republics, provinces and in the federation, who supported the proposal of the SFRY Presidency, Branko Mikulic said in the SFRY Assembly.

I wish to thank in particular the Federal Executive Council under the presidency of Comrade Milka Planinc for the efforts that members, vice presidents of the Federal Executive Council, and Comrade Milka personally made in the past 4 years and for everything they did in very complex circumstances.

Before I go on to propose candidates for the members of the Federal Executive Council, federal secretaries and presidents of federal committees, allow me to put forward our joint assessments on the current economic, social, internal and foreign political situation within which the elections for the Federal Executive Council are taking place, as well as our views and orientations on the main directions of involvement and measures that the Federal Executive Council will be undertaking.

In the long-term program of economic stabilization, Mikulic went on to stress, assessments of the situation were made and causes of the economic crisis in Yugoslavia and directions to overcome it were established. Adopting the program, we agreed that it is necessary to reaffirm work and creativity, economic laws and market criteria in the economic activity, put an end to the practice of voluntaristic ways of making decisions on the policy of reproduction and business policy and resolutely open up the process of overcoming serious disproportions in the production and contradictions in society. With the program we expressed our orientation for creating an effective system of economic activity, fully aware that this is the only way we can get out of the economic crisis and create conditions for a speedier and fuller development of socialist self-management. (1) [BORBA footnote]

As a special section of the long-term program of economic stabilization, we adopted the anti-inflation program which assessed the causes of inflation and directions of activity established which, like all other measures from the first stage of the realization of the program, were to have been realized at the same time. With the program a clear warning was made that individual and partial measures could not be effective or lead to the changes the program demands.

Soon after that, however, we started the policy of the realistic exchange rate of the dinar and realistic interest rates, while changes in the system of extended reproduction were left out, in particular the ones that deal with: strengthening the material position of the economy; abolishing all forms of deficit financing of the final production; creating such conditions that allow the behavior of working people in associate labour to be determined by "the force of economic need and requirement;" financially consolidating the economy as well as strengthening the effectiveness of the economic activity, reducing business expenditures and more effectively controling prices. (2)

At the time of adopting the anti-inflation program, the state of affairs in the country's foreign liquidity was very grave. Most debtors could not repay their obligations while foreign creditors put pressure on the SFRY and on the Yugoslav National Bank to have their claims repaid. (3)

In order to ease the burden of foreign debts, we started negotiations and sought agreements with foreign creditors, and primarily with the IMF, as their general representative. Apart from introducing economic criteria in the economic life and realistically evaluating the production factor, which was also the aim of the stabilization program, the demands of the IMF are directed toward speedily achieving the results in the balance of payments, essentially through a restrictive economic policy, while the orientations of the stabilization program are directed toward development and are of the long-term character.

Causes for inappropriate results in implementing the stabilization program, however, should not be sought in the demands of the IMF but, primarily in delays to adopt systemic laws and measures of the economic policy, in unprincipled compromises built in the part of systemic laws, in the lack of a comprehensive, simultaneous and coordinated activity of all social factors, particularly on developing the system of motivation and responsibility for work, and especially in adopting business decisions, in the mentioned altered order of moves and multiple resistances to the implementation of the stabilization program. They manifested themselves, and still manifest themselves, also in efforts to at least maintain if not improve the existing positions and prolong the practice and behaviour outside economic logic. (4)

Since 1982, when we -- after the well-known economic blockade -- were faced with the most serious situation in the economy, we have not succeeded in overcoming the causes of the earlier-started economic crisis, among other things, also because the disturbances were of fundamental character, rather than related to the market.

Apart from regularly carrying out obligations to foreign countries and maintaining a certain level of foreign exchange reserves, in the past 4 years (1982-1985), almost all performances of development have been further exacerbated. (5)

Because of negative processes and predistributions, we were faced with deficits, adverse balances, fictional items in the organizations of associate labour and in banks and with other disturbances and discords in the process of reproduction. (6)

The rectification of all these adverse balances, deficits, dubious accounts and other disturbances and discords in reproduction presents an enormous burden for the country as a whole, while halting the tendency of their further growth is an urgent and obligatory obligation of all self-managing organizations and communities, the society as a whole.

The negative consequences of such a state of affairs in the economy were also reflected in delays in technological development and the development and application of science, which in turn became the cause of economic difficulties. This is taking place at the time when very significance and wide processes of speeding up technological development -- which even today is the key lever of the overall economic and social progress -- are taking place.

Investments in scientific and research work have been stagnating for more than 15 years and are considerably lower than investments in neighboring countries of a similar level of overall development. These investments are insufficient to activate the existing, significant scientific potentials for science to make its full contribution to our overall development. On the other hand, the structure of our scientific organizations is very unfavorable, with only a little bit over 10 percent of the total number of researchers the economy being in science, and most of these being in independent institutes and universities, (7), so that our science is separated from its own application through the development of technology.

Neglecting the development of science and its application, as well as the insufficient stimulation in the work process also led to the stagnation and drop of inventive capability. (8)

In such conditions the economy orientated itself toward importing technology, which apart from some good, and even some very good examples, was haphazard, without a developed policy of transferring technology and its further domestic development. Very favorable conditions for this were created by a "wave" of easy loans from abroad, which facilitated the import of technology but also stimulated our own development. The most difficult problems we feel today, and which we will feel for a long time, are the consequences of the conditions under which technology was imported. Most contracts contained restrictive clauses banning the import of products produced according to imported technology, and the development of this technology; then obligations to purchase raw and semimanufactured materials and components from the seller of this technology; and so forth. Such unorganized imports were among the essential causes of the lack of wider integration between producers in Yugoslavia, the drop in labor productivity and economic viability of business activity, and also our technological backwardness.

Understandably, all this had a negative reflection not only on our overall social and economic development, but also on our international economic distribution position.

Unfavorable processes from the preceding period continued at the beginning of this year. The rate of inflation is very high and threatens motivation for better work of both the individual and collective. Because a drop in realistic personal incomes and living standards over a period of several years has not produced the desired results, underway is a form of increase of personal incomes which will lead to a further real decrease of accumulation, and taking into consideration the imbalance between offer and demand and a further growth of the rate of inflation. This also means cancelling the effects of an increase in real personal incomes for the greatest number of employed in the social sector. General and common expenditure grow together with the growth of personal incomes.

A high rise in industrial production in the first months of this year, which is still above the level envisaged by the plan, could be threatened if exports and foreign exchange inflow are not increased, thereby ensuring assets for carrying out obligations toward foreign creditors and for the necessary imports of raw and semi-manufactured materials, spare parts, and equipment for modernization and changing the structure of the economy. This is the first condition for making production more dynamic, and also means toppling the rate of inflation. In the first 4 months of this year the total value of exports was increased by 1.9 percent, while the value of imports is 4.3 percent higher. If we also include the first 12 days of May, exports are lower by 2.3 percent compared with the same period last year, while imports are lower by 1.6 percent. (9) However, our balance of payments records (10) show that the value of exports in the period from January to April 1986 (in relation to the same period last year) increased by 11 percent, while the value of imports increased by 13.5 percent.

In this the balance of payments position was worsened. In relation to the 1985 December level, the rate of inflation in April, measured according to retail prices, reached the level of 30.6 percent, and in relation to the level in the first 4 months of 1985, in the same period of 1986 it grew by 80.4 percent, Mikulic said.

The high rate of inflation presents a serious threat to both the socialist self-managing socioeconomic system and the country's internal and foreign security. Because, no matter how much we decide in favor of the further development and strengthening of socialist self-management, the rate of inflation increasingly undermines it by weakening its material bases. (11) Allowing the uneconomic transfer of accumulation from some to other branches and sectors of the economy, inflation leads to economic inequality between producers, and in view of different levels of development and regional structures of the economy, this also has an effect on the equality of nations and nationalities, that is, of the socialist republics and provinces. Since, in the conditions of inflation, distribution and consumption are increasingly separating themselves from production, some do not have to increase production because their assets are built from the constant increase in prices, a monopoly position in the market, and until recently also from the so-called illegal transactions in foreign exchange and other sources, while others, despite increased production, cannot acquire assets even for the level of consumption with which at least approximately the consequences of inflation would be neutralized. Understandably, all these, as well as the increasing social stratification of society, which is not the result of labor, have a negative reflection on the social and political situation.

Inflation over a period of several years, and spending of what has not been earned or came from somebody else, have deformed the awareness of a section of people, even of those in leading positions in the economy and in sociopolitical communities. With us, many people do not think of how to produce economically and export as much as possible, and thereby through work and creation earn income. Rather, they obtain income through increasing prices, struggling for better advantages in the system, preserving their monopoly position in markets, and similar ways. (12)

It is under the influence of this kind of awareness that the fragmentation of the economy and the Yugoslav market has taken place, and social funds are being siphoned off into private pockets, which many people do not see as being immoral, or still less, illegal. We are faced with an extremely irresponsible attitude toward social property. There is a widespread practice of stating fictional values, for example, of reserves, failing to take account of real amortization, and so on, so that nonexistent resources and the substance of fixed assets are being spent and inflation is being stimulated; there are numerous cases of theft of social property; idleness, disregard for regulations, carelessness and irresponsibility have taken on widespread proportions, and the consequences of such behavior are numerous accidents, fires, traffic and other accidents with enormous material damage and loss of human life, pollution of rivers and the environment. (13)

It is very clear that there is opportunism with regard to those who are behaving in this way, that they are personally responsible for these phenomena, and that they are obviously hampering the regulation of the situation in self-managing organizations and communities, violating regulations, and in various ways appropriating social funds. Society must react more decisively to such behavior and phenomena.- We cannot close our eyes to the abuse of self-managing rights and other democratic freedoms.

We have to clarify these questions ideologically and politically because, among other things, it would appear that the notions about freedom and its abuse have become somewhat confused. It also seems that in our country everything is permitted except protecting social property and ownership, legality and other social values and interests.

The Federal Executive Council (FEC) will insist that the responsibility should be raised to a much higher level and that the laws and regulations are respected and consistently applied.

Furthermore, in our country many people without any difficulty adopt decisions about large-scale investments and present the bill for mistakes to our society, and even to the federation. On the other hand, particular interests are expressed and defended even in cases of marginal value. Often the problems are politicized and occasionally the adoption of laws pertaining to our system is blocked. The practice of asking for and obtaining facilities outside the system is widespread, and this is a hindrance to devising and applying principled solutions in our economic system and in our economic policy. Objectively speaking, this practice is pushing us in the direction of etatization and state regulations in the federation.

A wealth of criticism is made against federal organs. They and including the Fec have become "a duty culprit" for everything including for matters which are not in their jurisdiction and for which they are not responsible. (14) The FEC and the organs of federal administration are rightly taken to task for not discharging their functions more efficiently. At the same time, representatives of appropriate republican and provincial organs come to the session of the interrepublican committees with their powers restricted which puts off the adoption or the execution of regulations, agreements or decisions. Partly this is the consequence of both poor structural preparation of the draft regulations and decisions and also of the desire to secure as much as possible for oneself in every regulation and decision.

In recent years when we came up against big economic difficulties the tendency to excessive administration and consolidation of the economic power and role of the state has become very conspicuous. (15) On the one hand this leads to the consolidation and independence of state administration in the areas in which its functions should be reduced and, on the other hand, it leads to a weakening of the position of the organs of administration in the instances where the administration should be as efficient as possible (application of and control over the implementation of legislation and of agreed policy). These tendencies must be analyzed critically so that the role of the organs of administration can be brought into line with our socio-economic and political system of socialist self-management. Furthermore, in all sociopolitical communities old funds for subsidies, intervention and investments in the economy are waxing strong, and new ones are being set up. Largescale monetary resources are being concentrated in them. Of course, the need and the possibility for democratically adopted strategy and development programs being supported through financial resources should not be ruled out, but a possible uncontrolled expansion of this practice can, without a doubt, pose a threat to the constitution position of associated labor and to the overall further development of socialist self-management.

We are duty-bound to assess all the consequences of inconsistency and of opposition to the implementation of the strategy of the development of our society on the basis of socialist self-management because this had a bearing on the weakening of the most important levers of our social progress and material development. Among other things what we are talking about is this:

-- As a result of the weakening of the material basis of self-management the producers organized in self-management organizations became increasingly poor and separated from the decisionmaking process about income and the reproduction policy. In so doing self-management is reduced to "a measure" that restricts its force and blocks its role as a primary factor, encouraging a dynamic and harmonious social and material development and general progress.

We opted for deetatization a long time ago. We reiterated that on several occasions and continue to do so , but this process has been stagnating for a long time. This is one of the reasons why, to a great extent, the Yugoslav market has been fragmented and social capital and economy broken up along territorial divisions. Virtually all divisions of material relations in Yugoslavia have reached their limit. It is high time for us with all economic measures and social activities to open up and encourage the processes of the self-management pooling of labor and resources and of mergers and integration;

-- By virtually devaluing the role and the significance of planning we have, objectively speaking, given up the objectives of, and a conscious influence on, the directions of the economy and market development and trends. The planned role of organizations of associated labor is pushed aside by the domination of "decentralized etatism" at all levels. Against economic laws and socialist self-management of social economic relations this leads to a development fragmentation and to an uncontrolled bureaucratic arbitrariness in decisionmaking;

-- By infringing the unity of the Yugoslav market, we have placed a question mark against the advantages offered by a bigger market and by the size of economic operations in attaining a faster development by pooling the labor and the resources, by developing economic competition and by asserting the socialist form and nature of commodity production;

-- Because of the short-comings, inconsistencies and uncoordinated measures and solutions in our economic system, its unity has not been implemented -- in keeping with the SFRY Constitution -- in regulating important questions that are of significance for the implementation of the agreed development policy, of the equal conditions of economic operations and of the Unity of the market;

-- As a result of an inadequate attitude toward the development of science and technology, we plunged into increasingly larger economic difficulties, and we exposed ourselves to the dangers of the further deepening of the technological gap in relation to industrially developed countries and to technological, economic and other forms of dependence.

Unless a start is made immediately to resolutely overcome and eliminate these problems we shall, objectively speaking, weaken the levers of our socioeconomic development and the efficiency of the political system of socialist self-management. On one hand this will help increase the mood among our people and citizens for radical measures to be adopted and, on the other hand, it will open up possibilities for the manifestation and consolidation of those tendencies which suggest a different vision of development of Yugoslav society. It follows, therefore, that we must be aware of our responsibility both for the direction and for the pace of our future development.

Bearing in mind this complex economic situation and, in this context, especially our considerable foreign debts and the objectives laid down by our long-term program, and by our development plans up to 1990 and 2000, respectively, our only correct orientation must be an offensive line and development policy, Branko Mikulic added.

Proceeding from the fact that socialist self-management and the working people-self-managers are the motive force of the development of production forces and of social progress as a whole, we also imply by an offensive development line a resolute orientation toward a more dynamic material development, pooling labor and resources and other forms of self-management and business links, pursuit of an active economic policy, including elimination of defects in our economic system, application of economic criteria and realistic economic categories, development of science and technology, and the application of socialist principles of renumeration in keeping with the work done.

On this occasion again something more must be said about these problems.

To increase production, inflow of foreign currency, and commodity and services' exports, especially in the higher stages of processing and of higher technological level, and of other products as well -- agricultural, forestry, raw material, and reproduction material products -- is the most important condition to get out of this stagnation and to increase the pace of production and to reduce inflation because the conditions in which to increase exports, and in so doing to ensure the necessary material and equipment for our manufacturing industry, and also to harmonize relations on the market at a higher production and consumption level, can only be created on the basis of a significant export and foreign currency inflow increase. Unless more goods are available for export and for the domestic market there is no realistic chance either regularly to meet our commitments toward our foreign creditors or to establish a balance between the offer and the demand, that is to say, to curb inflation and, in this context, to increase accumulation, employment, and the standard of living.

This is why we should insist that -- by applying appropriate economic-systemic solutions and other measures -- the sociopolitical communities should support all economically attractive production and export programs and joint appearance on foreign markets. Bearing in mind the fact that without the self-management economic mergers in the country and general export orientation Yugoslavia cannot develop successfully, it is necessary:

-- To provide the most extensive possible social and political support for joint production and export programmes as well as for the pooling of labour and resources; (16)

-- To stimulate export of goods and services by means of among other things, a policy of a realistic dinar exchange rate, the crediting of exports and exports on credit, dinar incentives and other measures of economic and fiscal policy. In this respect special support will be given to joint production and export programs -- with greater net foreign exchange receipts, and also to the export of know-how, technology, and labor. A system will be developed for stimulating all important joint production and export programs if they are viable and if they realize a net foreign exchange effect.

It is also possible to achieve an increase in foreign exchange earnings through better stimulation of foreign exchange savings by our citizens employed abroad; by enabling our workers employed abroad to put down deposits on apartments or residential accommodation -- at fixed prices and with fixed terms; by simplifying the procedure for issuing permits for the construction of business premises. The importation of equipment and other things necessary for returnees to work with their own resources; by enabling the organizations of the social sector to provide complete services to interested parties for the construction of business and residential premises, and by other methods.

Significant foreign exchange earnings can also be realized by the large-scale opening up of consignment and duty free shops, particularly in tourist resorts, hotels and marinas, at border crossing points, and elsewhere, where, in keeping with the current regulations, goods will be sold for foreign convertible means of payment, by stimulating the purchase of foreign currency from citizens and the introduction of other measures to encourage greater foreign currency earnings and to oblige organizations of associated labor to bring foreign exchange into the country promptly for goods and services exported.

Particular attention will be devoted to increasing foreign currency earnings from tourism. In comparison with the 13 countries of Europe with the highest foreign currency earnings from tourism, in1972 and 1982 Yugoslavia was in 13th place on the basis of its foreign currency earnings, and their increase in this decade, and on the basis of receipts per overnight stay of foreign visitors and per hotel bed. In this decade the majority of these competitor countries increased their foreign currency earnings from tourism by 3-4 times, while Yugoslavia barely achieved a nominal doubling of earnings. (17)

Considering Yugoslavia's great possibilities in the development of tourism, and thus in the realization of far greater net foreign currency earnings and an increase in employment -- we will devote the greatest attention to the development of tourism. (18)

In this connection, the interdependence of the development of tourism, agriculture, food, and other industries of importance to the development of tourism, and also transportation, the small-scale economy and cottage industries, will be borne in mind.

It should be particularly stressed that the number of journeys by Yugoslavs abroad is nearing the total number of the population, so that in this regard we hold an unequaled world record. In 1985, for example, the number of border crossings by Yugoslavs amounted to 21,407,891, or about 95 percent of the population of Yugoslavia, or 15,103,957 discounting border area traffic. This is 62 percent up on 1984. This means that the number of exits by Yugoslavs -- not counting border area traffic -- has reached a figure equivalent to 67 percent of the population of the country. In other European countries this varies from about 15 percent (Greece and France), to 32 percent (Great Britain), and a maximum of about 40 percent (FRG).

The economic situation in the country demands that SFRY citizens should themselves consciously refrain from such frequent journeys abroad and thereby contribute to the consolidation of the complex economic situation in which the country finds itself.

Our citizens are under constant propaganda pressure to travel abroad, while in other, far richer countries, propaganda campaigns have been conducted for years with the aim of keeping citizens in their own country. Some of these campaigns are very well known. In France, for example, under the slogan "get to know your France," in Switzerland "travel the world, take a rest at home," in Spain "Seek beauty around you here," in the United States "America above all," and so on. We will begin to organize such campaigns in Yugoslavia, too.

We will look in particular at business travel abroad. These journeys need to be regulated for all sociolegal persons, and not only those who have socially recognized reproduction requirements. In addition to regulating the payment of expenses for business travel, criteria should also be worked out for these journeys and there should be control of their implementation.

Of equally great importance for Yugoslavia is the development of agriculture, or rather the production of food, both for meeting the requirements of domestic demand under favorable conditions and for increasing net foreign currency earnings by increased exports of food. The level of food exports achieved of $1.2 billion is far below our real possibilities and considerably below the exports of, for example, neighboring Hungary -- and its potentials are fewer than ours.

We are faced with the task of developing priorities, on the basis of the long-term program, in the development of these areas in the coming 5 years and in the long-term, and of realistically assessing the volume of investments and adopting the economic-systemic solution and measures of economic policy which will stimulate the development of agriculture in the desired direction.

In the past 2 and 1/2 decades we have not succeeded in realizing even the planned growth rate, or carrying out the planned investment, and there have also been other digressions from agreed policy. In recent years the position of agriculture has been further worsened as a result of the high increases in the cost of agricultural machinery and equipment, fertilizers, pesticides, and the interest rates which agricultural producers have paid on credits and for market-oriented commodity funds, and so on. On the other hand, the limited purchasing power of the majority of the population and the need to protect the standard of living have determined the prices policy in agriculture. Thus, we have increased disparity on our market between the prices of industrial and agricultural products and between the prices of primary agricultural products, high quality meat, milk, tobacco, and other products in Yugoslavia and in countries of the EEC. Logically, all this has been reflected negatively on the position of agriculture, and thus also on food production.

There are other very urgent questions which remain open. For instance, the SFRY Constitution determines that land is a good in the general interest. The obligation that this good be utilized in the best possible manner originates in this. That this constitutional obligation is not being implemented is shown by the data that from 700,000 to 1 million hectares of arable land is not cultivated every year, and that is 10 percent of all arable land in Yugoslavia. If one adds the land owned by the so-called old people's households, which lack the strength and the motivation for production, the land use situation is even worse. Laws have been adopted in the republics and provinces on the use of agricultural land. Economic sanctions are also envisaged. But the data cited show that these laws are not being implemented. (19)

Furthermore, because of the untenable situation in the inheritance law, the number of holdings is increasing in Yugoslavia, while the agricultural population is rapidly declining. In this way we may after a certain time see that the results will be annulled of the consolidation of holdings, for which considerable sums are spent. It is obviously necessary that all over the country the conditions should be examined for the application of the principle that those who work the land have a title to it.

Yugoslavia is also at the bottom of the list of countries according to land under irrigation. Appropriate significance must be given to this and to land improvements in general in the sequence of moves in the investment policy. The selection of priorities is necessary here, too. Through a pooling of resources, for instance in the Danube-Tisa-Danube system, we could without any doubt obtain the greatest food production effects with the smallest investment per unit of land and produce in the shortest time.

Let us analyse the policy of investment in agriculture. The percentage of investment in agriculture in overall investment has been reduced to a mere 6-7 percent, which is half as much as the share of agriculture in the national income (13 percent). Also, it is characteristic that less is invested in primary agricultural production, and more in construction projects, expensive mechanization, and processing capacities, which because of the shortage of raw materials are not being used. (20)

We will particularly look at relations with private farmers, the development of cooperating farming and socialist self-managing relations in the country. In this the role of organizations of associated labor in the agricultural-food industry complex is irreplaceable. (21)

Firm measures will be taken to ensure that the dinar is the only and the uniform method of payment and measure of value in the country. This means, among other things, that operations in foreign currency can only be carried out within the framework of the banking system, and not between organizations of associated labor and between citizens, and between organizations of associated labor and the population. In accordance with its competence, the Federal Executive Council will take all measures in order to prevent unauthorized trade in foreign currency and violation of foreign currency regulations. (22)

By protecting the value and stability of the dinar, to which measures and activities aimed at increasing production and exports will contribute, by coordinating expenditure with available resources, by increasing the surplus in the balance of payments and foreign currency reserves, by reducing inflation and other measures which will contribute to improving the quality of economic and overall social development -- it is possible in time to create conditions for the gradual introduction of appropriate forms of convertability of the dinar as well.

Better effect can be achieved also under the other aspect of exports. For example, in 1986 we will pay over $1.5 billion for the import of steel, cotton, wool, hides, coffee and citrus fruit. With the exception of raw materials for the textile industry, the purchase of which is coordinated jointly on the basis of the regulations adopted in the assembly of the General Association of the Textile and Clothing Industry, all other goods are imported individually and on an ad hoc basis. This is why a higher price is paid than a price that could be agreed at by organizing imports and by contracting the volume of imports on a long-term basis. It is a known fact that contract arrangements for large-scale purchases can be made conditional on the export of our goods onto specific markets, on payment facilities and other advantages. Furthermore, organized imports can also promote our economic trade with the developing countries from which we will -- without any intermediaries -- import their products and export ours. Taking all these matters into account, and also the experience gained by jointly coordinated purchase of textile raw materials, measures will be taken to organize exports of other imported raw materials, reproduction material and of those parts of food and other products which are of significance for the Yugoslav economy and market supplies. (23)

Promotion of economic commodity exchange with the developing countries will be contributed to also through the implementation of the stands whereby, in addition to convertible payments and compensation business, other forms of payment will be applied which will accelerate the development and step up the volume of economic cooperation with these countries. This will be in our joint interest.

The latest fall in the price of oil, the reduction in the rates of interest, and also the fall in the value of the dollar will have a positive impact on our balance of payments and on the repayment of foreign debts, on condition that these resources are channeled into consolidation of our economic situation and not into consumption.

We also have to opt for the pursuit of an active economic policy in all these sectors -- ranging from production and exports to personal income, and general and joint expenditure, from the foreign currency rate of exchange and rates of interest to the monetary-credit system and income policy, from providing incentives in the economy in the sense of planning the production with the least possible consumption of energy, materials and labor, to preventing waste and other forms of alienation of social property.

The pursuit of such a policy is possible under the condition that all economic policy and system decision-making factors consistently and responsibly carry out their constituional duties and apply the laws and the policy adopted in the SFRY assembly and other federal organs.

To achieve this it will be very useful if, when adopting a policy in a specific area or when seeking the solution for an economic, social and other problem, the SFRY Assembly should also adopt the guidelines for the FEC for the implementation of this policy. This will render unnecessary any subsequent agreements between the executive organs regarding the implementation of the policy agreed in the SFRY Assembly, and the FEC and the organs of federal administration will be able more efficiently to carry out their role as laid down by the Constitution.

The SFRY Constitution lays down that the economic system -- that part of the system which on behalf of our society guides the development and regulates the conditions of economic operations and the relations between individual areas of the economy, economic factors and sociopolitical communities -- is not formulated only in the federation, but also in the republics and provinces, and also in the communes. (24)

In those areas where the federation establishes the basis of the system, the basic relations, the basic rights and commitments, and the like, the system as a whole is established only when the republics and provinces have established those elements of the system which pertain to their rights and duties. In the area of taxation, taxation system and taxation policy -- which are of a vital significance for the conditions of economic operations and for ensuring the unity of the Yugoslav market -- the Federation only deals with the basic tax on turnover, taxes and other custom dues, especially federal taxation -- and does so on the basis of the agreement attained by the republics and provinces in the Chamber of the republics and provinces. All other matters pertaining to the taxation policy and system is within the jurisdiction of the republics and provinces.

This distribution of authority should not be an obstacle to the implementation of the unity of our economic system provided all decisionmaking factors responsibly discharge their functions when establishing this system. If this is not done, as we have seen, the economic situation gets worse, and instead of being unified the market becomes fragmented, large-scale disruptions occur in it and in the area of economic trends, and producers are placed in an unequal position in the context of economic-systemic solutions and on the market, and so forth. (25)

Proceeding from the above we are launching an initiative to attain an agreement between the republics and provinces on a uniform settlement of those issues which are of importance for the unity of our economic system and market, especially for boosting production, exports, employment and other fields; that is to say, to discourage all investments and all forms of excessive expenditure which are not rational or economically justified. Without it, even when the FEC is involved as much as it can, appropriate results in the implementation of the tasks stemming from the resolution cannot be attained, and this applies particularly to inflation. This is why we will insist that an agreement be reached on all these questions and that the functions of the unified market are developed and strengthened by virtue of all economic-systemic solutions and economic policy measures.

While asserting the role of self-management social planning as a whole, we will pay special attention to joint plans of organization of associated labor linked together through reproduction and development ties. This will lead to the consolidation of the guiding and coordinating role of planning on economic and self-management foundations. We will work to ensure that planning expertise and knowledge are raised to a considerably higher level, and that appropriate institutions are equipped to deal with this; this applies particularly to the Federal Institute for Social Planning, which must become an initiative-orientated institution open both to the economy and to science.

Proceeding from the fact that science is a production force and technology a key lever of economic progress, we shall use the economic system instruments and economic and development policy measures to stimulate the development of science and technology and also the orientation of the economy into intensification of production and international competitiveness on the basis of the quality of its products. In view of the fact that the economy is the basic protagonist of technological development, social support for the economy is required in this area as well.

We shall pay special attention to self-management guidance and coordination of scientific and technological development in the unified Yugoslav market as the essential condition for an economical and rational development of technology. The technological development strategy, which is under review, should provide the basis and the priorities of our policy in this area up to the end of this century. At the moment we are lagging behind most on the plane of joint policy of technological development in the SFRY. This is why, after this policy has been adopted, our planning organs, starting from organizations of associated labor and up to the federation, should be involved on its implementation.

The joint development plans for the so-called big systems, as well as the joint development programs of new technologies, production and exports, will play an important role in the overall development of our country. The pooling of knowledge and resources and regarding the development of new products will bring to the fore the integrative function of technological development and its positive impact on the pooling of labor and resources in Yugoslavia. In this light the formation of a new federal organ for scientific and technological development will contribute to the initiation and acceleration of the aforementioned process in the economy, but will not lead to any form of bureaucratic centralization which would be the worst thing to happen to technological development.

We shall remain an open country for both scientific and technological cooperation. This presupposes adoption of policy and -- proceeding from our interests -- an accurate definition of the objectives, areas and forms of cooperation of other countries. When cooperating within the existing peaceful and multinational programs of technological development and scientific cooperation programs with nonaligned and other developing countries. The interest of the developing countries in uniting their scientific and professional forces on joint programs is obvious and so is their interest in cooperating reciprocally on an organized basis and in joining the technological development programs of other countries so that they may become the subject and not an object of technological development of industrial countries. If this does not happen the developing countries could experience such a level of economic and other kind of dependence as could entail consequences much more serious than the present ones imposed by the inequitable and exploitative international economic system and by the different conditions in which debts are repaid.

Although the development of social activities is not directly in the jurisdiction of the federation, the FEC will become involved in the development of education, medical welfare and other social activities in the service, primarily, of the development of socialist self-management relations in these activities, of technological progress, raising labor productivity and of overall economic and social development. This presupposes the opening of a strong process of abandonment of the fiscal way of financing the social activities and of the development of direct and free exchange of labor.

We are also advocating the affirmation of the most valued achievements of all the nations and nationalities of Yugoslavia in the field of culture. In this way we shall contribute to the consolidation of the unity of the community and in the area of culture and cutural creative effort. This applies also to physical culture and sport.

We decided a long time ago in favor of applying realistic economic criteria and categories. We have no reason to hesitate here, because, through realistic combination and restructuring of economic criteria and solutions in the economic system, development and economic policy, it is possible to affect economic development and relations on the market, reduce the rate of inflation, change the structure of production and influence the selection of manufacturers in order to maintain economically viable production that would be competitive on both domestic and foreign markets, and to exercise pressure to abandon and halt the sort of production that does not fall within such frameworks.

We have convinced ourselves that the way out from economic crisis is neither in the application of administrative measures, that is, in the complete freezing of prices and personal incomes, nor in their straightforward index linking. Rejecting the attitudes of etatists who glorify the power of the state and its regulations in the economy and on the market, as well as those of etatist phobia that negate the significance of every social impact on economic trends -- with the long-term program of economic stabilization we decided in favor of applying realistic factors, the greater role of planning, instruments and measures of the economic system and policy in directing economic development and relations on the market. However, the mentioned dilemmas remained unsolved, and new ones are emerging. This is partly the consequence of the long duration of economic crisis, but also of various ideological orientations and material interests of social environments that are then articulated and defended by various schools of economic thought.

Starting from the principled orientations in the long-term program of economic stabilization, our task is to recognize deviations, omissions, our mistakes and illusions, and from these draw conclusions for tomorrow and for the future.

It has been shown that the model of relying only on the realistic exchange rate, realistic interests rate and free formation of prices, on which we have insisted in recent years, cannot on their own carry out the program of stabilization. There are several reasons for this.

The policy of the realistic exchange and interests rates, in the absence of the entirety of economic and systematic solutions, appropriate solutions in the system of extended reproduction, as well as of the affirmation of realistic economic criteria (26) and other measures from the long-term and anti-inflation programs, have also brought about, apart from some positive results, a negative effect.

Therefore, continuing the policy of the realistic exchange and interest rates, we will improve the modalities of their further application, synchronized with other solutions in the economic system, development and economic policy, and in particular with the realization of the program of the financial consolidation of the economy and anti-inflation policy. Particular consideration will be given to all aspects of the application of more effective, and for the economy more favorable modalities of the policy of realistic interests rates. (27)

We have not fulfilled all the necessary conditions for the complete free formation of prices, because we do not have the competitive economy and convertible currency, which is the prerequisite for opening up our market to the competition of foreign producers, we do not have sufficient foreign exchange assets to import more and thereby increase offer on the market and influence price trends, nor do we have necessary dinar reserves, or the appropriate organization of goods reserves, that is, sufficient quantities of goods to make interventions on the market. Because of all these, and on the basis of the law on the social control of prices, we have applied the measure of direct price control. (28) Though in the conditions of disturbances in the economy and on the market, and of the high rate of inflation, such measures must be used as well, they still have not yielded the expected results in weakening the intensity of price increases, that is, the growth of the inflation rate. Because they increase disparities between prices, they also increase the strength of the inflation, that is, in the absence of compensations, this becomes the reason for making justified demands to eliminate disparities through price increases. This will be analyzed with great attention, with the aim not to tolerate anybody's monopolized position on the market and that relative relations between prices should be coordinated as much as possible.

In addition, we shall continue to insist on the freer operation of market laws wherever competition can be created -- not only between Yugoslav producers, but also in regard to foreign goods. With this aim, all opportunities will be examined for allocating larger funds for increased imports, for the sake of market intervention, among other things.

Where no opportunities as yet exist for such a formation of prices, or for the market to operate to slow the rise in prices, and where monopoly makes it possible for them to rise, all forms of social control of prices will be applied, depending on the movements in prices of individual products.

Nevertheless, the prime issue in lowering inflation is to increase the output of goods that can be sold on the foreign and Yugoslav markets, and thereby to secure greater supply of home-produced and imported goods on the market.

At the same time, is necessary to use effective taxation policy and other compulsory measures, as well as social action, to secure a limitation of the growth of joint and general consumption, irrational investments -- especially noneconomic ones -- not covered by real funds, and to bring the increase in personal incomes into accord with the growth of production, exports, labor productivity and receipts. The FEC has already undertaken specific measures to this end. These activities will be continued and all opportunities for reducing the overhead expenses will be examined. The expediency of partially financing the federal budget by issuing bonds to the population and to beneficiaries of social funds will also be assessed.

It is of exceptional importance for reducing inflation that the work already begun on the so-called financial consolidation of the economy and of other beneficiaries of social funds should be completed. In addition to resolving matters relating to currency rate differences, measures will also be taken to resolve the problems of imbalance, deficits, dubious accounts and other imbalances and disharmonies in reproduction. The question of how to overcome the consequences of failed investments is also exceptionally difficult.

In addition to turning part of the credits from primary issues into credits for long-term working capital, which will without doubt partly reduce the economy's expenditure on interest rates, a thorough examination will be made of the causes for the economy's excessive indebtedness, in particular due to a shortage of working capital -- for the needs of both expanded and simple production. This is an important condition for reducing the economy's dependence upon the (?banks), and thereby for further developing self-management and affirming the organizations of associated labor as commodity producers.

Owing to the aforementioned reasons, and in particular to the fact that nonmonetary factors have been unsuccessful, (29) credit policy has not turned out to be effective in lowering the inflation level, and has given rise to negative effects upon the growth of production and exports and upon the increase in mutual demands and "gray" money issues.

We shall also insist that both monetary and credit policy should be more selective, such that, on the one hand, the necessary funds are available to pep up profitable production, and in particular to prepare production for exports and for the export of goods and services, to replace imports, power engineering and food producton; and such that, on the other hand, to prevent the practice of financing deficits, dubious accounts and losses, as well as excessive surpluses and in particular surpluses of finished goods. We shall also insist that all channels for irregular issues should be closed and that all money flows should be put under control. An effective financial system and financial discipline are the primary condition for lowering inflation. Measures will be undertaken to bring the economy's deposit account rates to an economic level, and the opportunities for rationalizing payment turnover and speeding up turnover of social funds will also be examined.

Material reserves are of exceptional importance for better supply of the market and stabilization of prices. However, they are at present insufficient, lacking the necessary funds, and, it seems, inappropriately organized. A review will therefore be made of the conditions and their justification, so that -- with the aim of achieving greater business activity and speedier reaction to market relations, while maintaining the present function of securing material reserves for the special needs of society -- a transformation of the present main board for material reserves may be brought about, such that the functions of market goods reserves are developed and such that the functional unity of the federal, republic, and provincial material and market reserves may be achieved. This corresponds to the nature of the unified market and the need for the greatest possible mobility of goods reserves. The aim is to bring about an organized and greater effect upon the stability of market and prices and, at the same time, to have a stabilizing affect upon production, especially food production. (30)

In addition, the system of material and market reserves would also deal with specific import affairs, in particular intervention imports. Society would thereby, too, be able to exert influence upon better market supply, with stable prices even lower prices than the current prices of home producers and those for imports.

That is importers now form prices for imported goods at the level of the prices of home producers on the Yugoslav market, and thus exert no pressure upon reducing them, while achieving for themselves earnings unmerited by labor. This matter will be examined in particular. This also relates to the practice of daily price increases in the retail trade, following every increase in producer's prices, which justifiably is extremely annoying to consumers. The role of trading organizations in regulating market relations and their position, particularly in large towns and consumer centers, will also be examined.

In addition to insisting that regulations on appropriating unearned income and monopoly profit be adopted in all republics and provinces, we shall advocate that the investments of the Yugoslav National Bank and the business banks be withdrawn without hesitation from organizations of associated labor that are found to be engaged in isolationism and monopoly conduct. This relates, too, to the national banks in the republics and provinces. In addition, legal sanctions for actions and infringements of this type will be examined.

Measures will also be taken to improve considerably inspection and supervision and to implement methods of acting on the reports by the federal inspection services. With this goal in mind, a review will be made of the need for organizational changes in the federal inspection and supervision organs, and the work of the federal inspection services will be coordinated with the corresponding inspection services in the republics and provinces. (31) Far greater attention should be devoted to promoting the inspection and supervision services in the republics, provinces, towns and municipalities. A particular review will be made of the attitude that the corresponding organs in the federation, republics and provinces take toward implementing federal laws and other regulations.

On the basis of the aforementioned activity and measures a well-organized and extensive social action is also required appropriately to organize all our society for a more efficient and rational work of all the institutions of our system, to remove the shortcomings in self-management organization in organizations of associated labor and in self-management interest communities (tendencies of fragmentation, encapsulation and group property relations in basic organisations of associated labor, devaluation the role of work organizations, disintegration of joint functions in composite organisations of associated labor, unnecessary networks of many and especially basic self-management interest communities and so on. We must be more critical and self-critical to the shortcomings of this nature, and we must be free from either compassion or dogmatic burden in relation to any concrete solution as being given for all time. The struggle to bring down inflation and to bring about other stabilization policy objectives will not be won merely by applying the solutions in the economic system and the economic policy, even if they happen to be the best solutions available, but by dint of daily and persistent involvement by all organized forces of socialist orientation, self-management organizations and communities. (32)

This, among other things, presupposes that, mainly in the LCY, ideological hesitation and differences in the points of view on the causes and of the ways to get out of our economic crisis, on the implementation of the long-term program, on the socioeconomic and political system of socialist self-management and other matters should be eliminated. It is impossible to obtain action unity by all the forces of socialist orientation unless ideological hesitation on the essential questions of the further development of our society on the basis of socialist self-management are eliminated, and without that there is no realistic prospect of extracting ourselves from the economic crisis. To overcome ideological hesitation and to strengthen ideological, political and action unity is the condition for the successful work of the FEC.

Doubts have not yet been eliminated in our society about many specific, but very important questions. For instance, for years we have been talking about the need for structural changes in the economy, and yet we spend less time on the question of how to support those organizations of associated labor that are pulling forward the development of the economy and our society than on how to rescue those organizations which for years had been vegetating and showing losses. Objectively speaking, this means that we are still on the defensive. (33) On other issues, too, we remained on the level of proclamations. For instance, we frequently point out the importance of housing construction as a factor that can substantially influence a boost in production, bring the resources of our population into play and satisfy the basic needs of our population, and yet we have not made a single serious step more vigorously to move in that direction. This applies also to remuneration in accordance with the results of work. The leveling-out process is expanding, and appropriate remuneration for production work and for work in difficult conditions, for innovatory work, for results of professional and scientific work, for cadres in management posts, who are making a big contribution to successful economic operations and to development of organizations of associated labor, find acceptability with difficulty and very rarely. Furthermore, at many meetings and gatherings, and in resolutions and other documents, we speak in favor of the development of the small-scale economy but we go on being confronted by misunderstanding and even by opposition to this development. The view is widespread that the small-scale economy must be developed with the personal resources of the citizens, and a whole system of permits, solutions, certificates and other condtions has been introduced which, objectively speaking, restricts this from happening. (34)

The changes in the structure of the economy are blocked also by the widespread belief that material development is possible only by constructing big industrial projects. This is the reason why, in a large part of the country, so little attention is paid to the development of agriculture, tourism, small-scale economy and of the tertiary sector as a whole. On the other hand, the dogmatists are resisting the development of activities combined with the involvement of personal resources of citizens because of the alleged threat to socialism, or in order to prevent wealth; red tape in the state apparatus is to a large extent playing into their hands through the aforementioned restrictions and an inefficient taxation policy.

We live at a time when even the most developed industrial countries are involved in an about-turn in the direction of the development of small-scale production and service units. They opt for this in order to resolve the problem of job creation more even regional development, better market supplies, increasing exports and, in particular, in order to develop innovation. (35)

Bearing in mind the importance of the small-scale economy, including domestic craft industries, we will seek to ensure that associated labor may become the protagonist of this development, that the legal procedure of issuing permits for opening production and craft workshops, services and other service shops through the resources in the personal ownership of the citizens may be simplified, and also that the development of this economy may be stimulated through taxation facilities, credit policy and other measures. (36) A resolute orientation for the development of the small-scale economy is of enormous importance for us. This is why the development of small production and service units must be built into all planned documents and into our economic system as a whole. Organizations of associated labor must play the greatest possible attention to this question, and where this is possible, set up teams of experts who will be involved in planning the development of the small-scale economy.

Branko Mikulic went on to stress that during the years ahead our material development will be limited by virtue of the fact that we shall be repaying our foreign debts, by scarce domestic accumulation and restricted possibilities of involving additional resources from abroad. This imposes the need for available resources to be pooled and invested, based on self-management principles, mainly into economic development and where they will produce the biggest effect both for organizations of associated labor whose resources have been pooled, and for our society as a whole. We cannot be satisfied with the present situation because only 0.30 percent of the total estimated value of all projects under construction refers to the so-called inter-republican and interprovincial construction. (37)

This, too, is a testimony to our territorial encapsulation, which is the source of much that is irrational. Investment efficiency is also low. There are still 69 projects which have been under construction for over 11 years; furthermore, the share of the resources earmarked for the reconstruction, modernization, completion of extension of capacities is a mere 22 percent of the overall estimated cost of the projects, and 74 percent for new projects.

We will analyze these questions and provide the initiative for appropriate social activities and for the adoption of systemic measures which will discourage uneconomical investments.

We must pay far greater attention to investments and to development as a whole. Without it we will not manage to activate the resources at our disposal and raise the competitive ability of our economy on the world market.

In view of the restricted opportunities for new debts abroad and of the need to acquire additional accumulation we will analyze all the aspects of joint investments with partners from other countries. New regulations have been adopted on this matter, and we will initiate activity in our country and abroad with which ever of these investments needs a boost.

We will continue and promote cooperation with international institutions and organizations. This can be achieved only on an equal basis and in mutual interest, coupled with full respect for the independence and sovereignty of the SFRY in the pursuit of the policy of its social and economic development.

The socioeconomic development of Yugoslavia in general, and in this context the development of economically nondeveloped republics and of the province of Kosovo in particular, will be developed in these material conditions and under these assumptions. In the further implementation of this policy we are proceeding from the fact that the most difficult stage in the development of production forces in the economically underdeveloped republics has more or less been overcome. However, we cannot be satisfied with the results attained in the development of Kosovo.

Our objective is that during the period ahead the differences in the degree of economic development should be reduced, and in so doing the conditions established for a faster and more even development of all the republics and provinces, mainly through reliance on our own resources and on the basis of the joint development and economic policy, by promoting the system of encouraging the development of the economically nondeveloped republics and of the province of Kosovo -- by pooling the labor and resources, reasserting the economy of the Yugoslav market, by placing a real value on the production factor and through other economic measures.

In the future, special attention will be paid to the fastest possible development of Kosovo. The key task is to secure a dynamic growth of the economy and productive employment, and to do so by restructuring the economy in the province through the development of labor-intensive and accumulative activities. In this respect exceptional importance is attached to the already attained results and new initiatives to pool the labor and the resources between the economy in the province and organizations of associated labor throughout the country. This process merits support by all the republics and of the province of Vojvodina, our entire society, and especially by the organs in the province of Kosovo and in the SR of Serbia.

The orientation to a more aggressive line of development of the whole of our society implies such an orientation also in organizations of associated labor; it implies in particular that as commodity producers the organizations should react in good time to market relations, should be motivated for more productive work, and should raise the responsibility for all business decisions to a higher level. This requires organizations of associated labor to be trained for more efficient economic operations and decision-making partly through appropriate self-management regulation of relations in work and composite organizations of associated labor so that group-ownership, egotistic, and other tendencies pulling in the direction of fragmentation and of encapsulation within the framework of restricted self-management organizations can be overcome. On the other hand, technocratic-bureaucratic tendencies of taking away the right of workers in basic organizations of basic labor to decide on their income and reproduction policy, that is to say tendencies which totally jeopardize the role of the basic organizations of associated labor as basic self-management organizations, must be overcome. Consistent implementation of the conclusions of the LCY Central Committee on implementation of the constitutional position of the workers in using and controlling their income and reproduction resources can have a positive impact on a more rational conduct in production and in the management system, on formulating a personal income policy which will be anti-inflationary and on the application of efficient measures to preserve the value of social property. There is also the obvious need to raise the responsibility of management organs toward the workers, to bring their remuneration into line with business results, and to reduce the dependence of management organs on political and state organs in sociopolitical communities, in pursuit of the business policy, and especially at the time of their election and reelection.

In implementing a more aggressive management line we must rely on many skilled and professional workers, both those who are employed and those who are registered as unemployed. In our country unemployment is discussed mainly as a social and existence problem, and not in terms of an enormous work and creative potential whose employment and proper involvement can contribute a great deal to the faster development of our society. It is a great pity for our society that this great work potential has not been involved as a labor force in its development, and that such a high number of young, educated, and skilled cadres are outside the work and self-management process. They constitute our enormous resources whose activation can influence the way out of the development stagnation and the intensification of the pace of our rate of growth.

Better use of capacities, the development of small-scale economy and of agriculture, the opening of repair and maintenance service points, making it possible for groups of young, educated, and skilled people registered for employment to investigate the use of the capacities and production programs of individual basic organizations of associated labor and start new activities, coupled with the commitment of management and self-management organs to discuss and accept these initiatives if they are economically viable, and also the lifting for a number of years of specific contributions from the income and personal income of newly employed workers and of the employees working a third shift etc, can create the conditions for productive employment of a great number of young people.

Proceeding from the fact that this question is primarily an economic and social one, we shall launch the initiative asking all self-management organizations and communities comprehensively to examine all the possibilities of productive employment.

By successfully implementing an aggressive line and development policy we shall in due course overcome the economic crisis and step on to the road of more successful development in stable conditions. However, there is no room for the illusion that this can be achieved in a short period of time and easily. On the contrary, we shall have to invest an enormous effort within a foreseeable time to arrest the negative trends over a period of many years and then turn them around in a positive direction. This can be achieved by involving the whole of our society, through far greater unity of all the organized forces of socialist orientation, by changing the relations and through a greater level of responsibility of every individual and by work collectives toward work and interest of our society. In this respect the FEC will bear its share of responsibility.

In all this, exceptional importance is attached to the establishment of such relations between the SFRY Assembly and the FEC which will remove even the slightest manifestation of a division into the conventional "parliament" and "government" and develop joint creative work and raise responsibility in the execution of their constitutional functions and powers. As an executive organ of the SFRY Assembly, the FEC will incorporate itself even more into the SFRY Assembly. We shall insist that the political organs, as well as the organs in the republics and provinces, should turn with their initiatives and demands mainly to the assembly and not primarily to the FEC. The Assembly and -- in matters established by the constitution -- the SFRY Presidency must provide guidelines to the FEC for its involvement on the solution of such demands. This is in keeping with the demand for further affirmation of the delegate system and with the role of the highest state organs in our political system.

In considering the Critical Analysis of the Functioning of The Political System, the FEC will analyze its role and responsibility in our political system and take measures to promote the organization and work of the federal administrative organs, including their modernization. Appropriate attention will be paid also to the public nature of the work of the federal administrative organs and of the FEC.

We shall strive further to improve the social information system and the information system of the federation. This, too, is a very important condition for the implementation of the functions of the federation and for the implementation of the long-term program of economic stabilization, Mikulic stressed.

During the past few years we have been convinced that the Yugoslav working people and citizens are firmly orientated toward this kind of socialist self-managing Yugoslavia. They have confirmed and go on confirming this by, among other things, bearing the consequences of the economic crisis, including a drop in their standard of living, by providing personal contributions for the development of their associated labor organizations, local communities, and communes, aimed at creating jobs and for other reasons. This has been clearly manifested in recent months by their massive participation in the elections, in congresses, and at other meetings at which, in all the areas of the country, the mood was clearly expressed without hesitation and resolutely to proceed along this road of ours, Tito's road.

True, in recent years we have been confronting increasingly aggressive activity by individuals and groups in an attempt to undermine our constitutional system.

Continued activity from positions of Albanian nationalism and irredentism, particularly channelled into further emigration under duress of Serbs and Montenegrins and undermining our brotherhood of unity and the federal system and territorial integrity of the SFRY, are our most serious political and security problem.

The national chauvinists are acting more and more aggressively, too, more or less from the ranks of all peoples and nationalities of Yugoslavia. They link with each other, and frequently also with reactionary circles abroad, especially the Yugoslav fascist-terrorist emigrants. Implementing their influence in the editorial boards of some newspapers and publishing houses, individuals from the ranks of the bourgeois and dogmatic right have published several texts in which they attacked most rudely the name and the work of Josip Broz Tito and other giants of our revolution, the political system of workers self-management, and especially the federal system, the brotherhood, unity, and equality of the peoples and nationalities, and the policy of nonalignment. To all this, one has not reacted everywhere in the time through appropriate ideological and political activities. This has caused working people and citizens to wonder and to demand that attacks on the name and work of Josip Broz Tito, and the activities against brotherhood and unity and the constitutional system of the SFRY be prevented more resolutely.

In conducting our internal policy, in our foreign political activities and the implementation of the concept of all-people's defense and social self-protection, we must constantly bear in mind that the international political and economic situation is very complicated.

All the progressive, democratic forces in the world follow the international situation with great concern. A policy of force, aggression, and terror is opposed to the policy of reason, peace, and cooperation. Old aggressions are continued and new aggressions started, military occupation of some nonaligned countries is continued, and the right of peoples to freedom and independence is being usurped. Some people want to impose the use of force, according to the free will of some people in power and according to their so-called strategic interests, as their natural right. A perfidious struggle is continuing for the expansion of the spheres of interest at the expense of the independence, sovereignty, and territorial integrity of the newly liberated and nonaligned countries. For a long time, one has not been able to justify the arms race with the needs for strengthening the security of the several countries. The globe is becoming too small for new arms, and so room for them is sought in outer space. On the other hand, hundreds of millions of people in the world are on the margins of subsistence; many are dying of hunger. The gap between the developed and developing countries is greater and greater. The debts of the developing countries have become a burden which can no longer be tolerated. The debts threaten to paralyze not only the economy of the borrowing countries but also the whole flow of economic intercourse in the world.

Under these conditions, Yugoslavia actively and persistently conducts its nonaligned foreign policy, Tito's vision of international relations at the basis of which are peace, freedom, equal cooperation, and development of all the peoples and states. Nonalignment is our lasting political philosophy, our comprehension of the world without bloc shackles, a world of equal and free countries and peoples, a world of cooperation, mutual esteem, respect, and solidarity, a world of development and progress for all.

Proceeding from such a role of the nonaligned countries policy and movement, together with other members of the movement, we are involved in working for the preparations of the eighth conference in Harare. We are striving for it to be a summit of unity and action by the nonaligned countries, and for the conference to make a fresh contribution to the strengthening of peace and security, to international cooperation and understanding, and especially for mutual economic, scientific, and technological cooperation of the nonaligned and other developing countries, as well as to the solving of acute international economic problems, especially the problem of debt repayment.

Yugoslavia has always advocated and will advocate that internatonal problems be discussed and solved within the united nations, on the basis of the UN Charter and the norms of international law. This also refers to the problem of international terrorism, in the solving of which Yugoslavia -- being itself a victim of terrorist violence -- has actively participated and has significantly contributed and continues to contribute with its unequivocal positions and actions to combatting this great evil of the present time. We are engaged, within the csce, in the activities of the nonaligned and other Mediterranean countries; we support a comprehensive Balkan cooperation. It is our sincere wish that the Mediterranean be a zone of peace, and the Balkans an example to others in the development of good-neighborly relations.

We are particularly involved in developing and deepening cooperation and relations with neighboring countries. We advocate that relations with our neighbors should be based on mutual respect, recognition of independence, sovereignty, and territorial integrity, on noninterference in the internal affairs of other countries. As a signatory to the Helsinki Final Act, Yugoslavia regards its own borders, and the borders of all its neighbors and the other European countries, as definitive and unchangeable. It has not had nor does it have territorial pretensions toward any of its neighbors. We do not interfere in the internal affairs of neighboring states and peoples. In the same way, we seek from our neighbors their respect for our borders, our internal political organization, and the right of our nations and nationalities to develop according to their own wishes within the SFRY. Yugoslavia is the homeland of all its nations and nationalities. The negation of the national identity of any of our peoples and their national freedoms is at the same time an affront to the national liberties of all nations and nationalities of Yugoslavia, its federal system and political essence, its freedom and territorial integrity. We have always firmly opposed such a policy, and we will continue to do so. The parts of nations which live in other countries, the so-called national minorities, should be a strong bridge of cooperation and understanding between neighbors and not an opportunity for interference in the internal affairs of other countries.

The further balanced and equitable development of bilateral economic relations with the industrially developed countries of the West and with the socialist and developing countries is for us of strategic importance, not only because of historical and most recent experiences, but also because of the need to carry out with all countries of the world an exchange of goods and scientific and technological achievements and to develop all other forms of cooperation and friendly relations. In this, the organized approach of our economy is of exceptional importance. Although this problem has to be solved primarily within the country, we also advocate that our diplomatic, consular, and economic representatives abroad jointly involve themselves even more responsibly in developing economic cooperation with other countries. The exceptionally complex international economic relations, which will be reflected in our economic development in the years to come as well, call for this.

The international situation, and especially the latest development of the situation and the events in the Mediterranean region, impose the need to pay even greater attention to the implementation of the concept of all-people's defense and social self-protection.

The results that have been achieved in this field may be ranked among the greatest achievements in our overall social development. The process of socialization of all-people's defense has resulted in an essentially new quality of our defense organization. Decisions on matters of defense and on the implementation of defense policy are now made in all self-managing organizations and communities.

The SFRY Armed Forces have developed and been modernized in keeping with this. Respectful results have been achieved in the development, equipment, and combat training of the Yugoslav People's Army. Significant results have also been achieved in the development of territorial defense, as well as of other parts of all-people's defense and social self-protection.

Of special significance for the further development of all-people's defense are the defense preparations of the economy, especially the planning and organizing of production in a possible war, the material and cadre preparation of the associated labor organizations for this production, the building of a unified system of war stockpiles, and the development of economic activities in the hill and mountain regions of the country.

Proceeding from the rights and duties of the federation and its constitutional responsibility in organizing and preparing the Yugoslav People's Army as a common armed force of all the peoples and nationalities of Yugoslavia and the striking part of the unified armed forces, we will work to find solutions for a stable and reliable financing of the Yugoslav People's Army. The allocation of 5.20 percent of the national income -- in real terms -- for financing the Armed Forces cannot be treated in the literal sense as a spending for consumption, but rather as significnt investment in scientific and technological development and as employing a significant part of the industry in Yugoslavia. In this way, one simultaneously supports the development of economic, scientific, and technological cooperation with other, particularly nonaligned countries. After all, just as all life in the economy would stop without power, so would our life in peace and freedom stop without the security of our borders and the capability to defend them from a possible aggression. We shall therefore undertake all necessary measures for a stable financing of the Armed Forces of Yugoslavia.

In the coming period we will devote the appropriate attention to the further technical and cadre training of the federal administrative organs which carry out the work of protecting the constitutional order of the SFRY as well as social and private property.

In order for the Federal Executive Council, in keeping with its constitutional and legal competence and responsibility, to involve itself as successfully as possible in carrying out the tasks of the long-term program of economic stabilization, the social plan and the resolution for this year -- which have been partly outlined already -- we will improve the content and method of work of the federal administrative organs and carry out some organizational changes within the Federal Executive Council.

We will insist on greater independence and responsibility for the federal secretariats and committees in carrying out their functions within their administrative areas, and we will affirm the personal responsibility of the federal secretaries and chairman of the federal committees on all questions which lie within their constitutional and legal competence, as well as their direct responsibility to the SFRY Assembly, the Federal Executive Council, and the public for the state of affairs in a particular area. In addition to other positive effects, this will also promote the efficiency of work of the Federal Executive Council and the federal administrative organs and will contribute to creating conditions for the Federal Executive Council to concern itself more with essential questions of the policy of socioeconomic development, the functioning of the political system, the realization of the concept of all-people's defense, and the foreign and internal policies of Yugoslavia.

We will reorganise the present commission for stabilization into two separate commissions of the Federal Executive Council, for realizing the development strategy and for the implementation of the anti-inflation policy. (38)

At the same time, we will move towards the formation of councils to act as professional bodies linked with all organs of the federal administration. (39)

There is an obvious need for more attention to be paid to the preparations for possible additions to those laws which are used for the coordination of the course of social production, particularly the laws regarding expanded production and past labor, for our accountancy system in order to prevent the creation and presentation of a fictitious income, then in the field of economic relations with other countries, for the market and prices, as well as for passing systemic solutions, such as those from the field of money supply and its mechanisms, etc. The long-term program of economic stabilization assumes a stable, consistent and, within itself, harmonized legal system. The Federal Executive Council will, within its constitutional powers, undertake and suggest measures needed for the changes in the legal system and for its further advancement. With this aim in mind there will also be the testing of some more important systemic laws in a number of organizations of associated labor -- before starting on the process of their adoption in the SFRY Assembly. By doing this we will come out from the situation in which the whole Yugoslav economy is a guinea pig for testing the validity of already-adopted laws. (40)

Councils would also discuss the results of the tests on draft laws and other important documents and then would give their own proposals and suggestions. Taking into consideration this kind of councils' role, in their work there will be experts and scientists from organizations of associated labor, scientific, and other expert services. In that way, the Federal Executive Council will amalgamate a great number of experts and thus be in continuous creative touch and cooperation with producers, scientists, and expert services.

These organizational changes and the measures for the improvement of the content and method of the Federal Executive Council's work and the work of the federal administration organs are the prerequisite for the conduct of an offensive course of social and material development.

We are convinced that the implementation of this course will need the involvement of the delegate system as a whole, self-managing and managing organs in the organizations of associated labor, all working people and the citizens of Yugoslavia, sociopolitical and social organizations, and expert and other association.

Our domestic and international position compels us to more resolutely and more efficiently overcome the problems and contraditions in our social and economic development. In order to succeed in this, we must remove the causes of economic, scientific, technological, cultural, nationalistic, and other divisions and barriers, and build, cherish, and continuously strengthen the unity and brotherhood of the peoples and nationalities of Yugoslavia and develop awareness that to the better future we can only go united -- on the basis of socialism, self-management, equality, federal system, and the policy of nonalignment.

We will soon hold the 13th LCY Congress. All communists, working people and citizens, all patriots of our country justifiably expect that the congress will bring clear assessments and adopt positions regarding the current social, economic, and political situation, that after the congress there will be a well-organized and well-conducted social policy toward overcoming problems we are facing, and that we will succeed in this and that we will achieve better results in the development of our socialist self-managing community," Branko Mikulic concluded.

Footnotes to Address

LD171552 Belgrade BORBA in Serbo-Croatian 17-18 May 86 p 5

[Text] Belgrade, 16 May -- 1. At the time of the adoption of the long-term program of economic stabilization, it was decided that such a complex and long-term undertaking should be realized in two phases.

In the first phase changes should have been adopted in the economic system and concrete measures taken with the aim of reviving production, increasing exports, settling the debts due foreign creditors, eliminating the causes of domestic illiquidity and reducing inflation. With regard to all these activities, conditions should have been created for economic subjects to base their decisions on economic criteria, and on this basis to increase the effectiveness of economic activity, thus creating conditions for the beginning of the second phase of the realization of the long-term program of economic stabilization -- by adopting and realizing the new medium-term plan, with the focus on eliminating disproportions and contradictions in the trends of social reproduction.

2. Out of 10 measures of anti-inflation-geared policy -- apart from the two already mentioned -- another two have been partly realized. The credit-monetary policy, as measured by the growth of the money in circulation in proportion to the nominal growth of social product, has been restrictive. The remaining five measures have not been realized. As the anti-inflationary program warned, the policy of too high a devaluation of the dinar exchange rate will cause the strengthening of consumer inflation; and a sudden adaption of interest rates to the rates of inflation will represent a "mighty coup for the economy," because, among other things, there were not enough resources in the income of the economy to depreciate this coup. There is no doubt that such consequences of these two, otherwise necessary measures would have been on a far smaller scale had the other measures and goals of the anti-inflationary program been implemented simultaneously.

3. The annuities paid to foreign creditors in relation to social product, calculated according to the current prices, amounted to nearly 8 percent in the past 4 years. This does not include rescheduled debts. If these were included, the payments in relation to social product would amount, for instance in 1985, to 12.6 and not 8.2 percent. The degree of Yugoslavia's indebtedness in convertible currency, without the rescheduled part of the debt, amounted to 27.6 percent in 1985; and including this part 44.2 percent. The payment of external debts out of Yugoslavia's own credit income and reserves, in the conditions of failure to settle credit transactions with foreign banks under normal conditions, has exacerbated to the greatest extent the problems of the functioning of reproduction. Production has been falling and serious disturbances appeared on the market, particularly in 1982 and 1983.

4. A number of solutions proposed by the Federal Executive Council were watered down at the time of adopting the law, but their application has been postponed. For instance: The settlement of interest rates, the use of resources from social reserves, giving priority to the payment of private income in relation to the payment of debts to creditors, and so forth. The orientation whereby "The settlement of the whole of the receipts and income in the country can only be carried out in dinars" was only controversial until the adoption of the law.

5. The entire social product in this period was increased by 2 percent, but per capita it remained at the same level. Exports were increased by 4 percent, but in 1985 they were lower by 2 percent than in 1981. The productivity of current labor is down by 4 percent. In 1984 the effectiveness of using basic resources was 28 percent lower than in 1970. The economy of producton has also been exacerbated. The inflationary way of ecoomic activity is continuing. The participation of material expenses in social gross product increased from 51 percent in 1970 to about 60 percent in 1985. There is also exacerbation in the position of economy regarding the distribution of income. The participation of conservation in income was reduced from 61.2 percent in 1982 to about 54 percent in 1985. (This information has been carried over in the Social Accountancy Service to the previous account system for the sake of comparison.)

The average realistic personal income has been reduced by 16 percent. Though more than 1.1 million workers were employed in the 1982-1985 period, the number of people seeking employment increased by a further 150,000. The upward trend of inflation continues to accelerate, thus reducing the time of its doubling. The level of prices in 1985 was nearly three times higher than in 1982.

6. The negative rate of exchange of the dinar reached the amount of about 5 trillion dinars at the end of 1985; unpaid interest rates are estimated at about 300 billion, and unsettled credits at nearly 400 billion dinars; losses in economy amounted to 318 billion and in social activities 7.8 billion dinars.

The economy is short of a considerable amount of resources for current transactions, for the replacement of used resources and for settling investments. Apart from this, the accounts show great fictitious values of property on the basis of which consumption is established.

7. In 1984 out of the total of 23,572 research workers, only 2,633 worked in conservation research-development centers.

8. A total of 3,328 inventions were reported in 1971 and 2,027 in 1985. Over 80 percent of these were reported by individuals in the period in question.

9. This refers to "realistic volume of exports of goods" and "realistic volume of imports of goods."

10. Information about the value of exports and imports calculated according to the current prices and inter-currency relations.

11. This is clearly reflected in reduced participation of conservation in the income, the consolidation of the material base of etatism, underestimation of depreciation and the realistic devaluing of accumulation on the one hand, and an increase in all forms of consumption without realistic funds, the losing of a base for economic calculation and realistic criteria which weakens the business effectiveness, the slowing down of exports and the transfering of social income and capital into private ownership, and so forth on the other.

12. Many have turned their heads away from an economically and technologically sound development, exhausting themselves by inventing speculative moves and trying to find loopholes in the laws by turning those to the advantage of their self-managing organizations and communities they take possession of the resources belonging to other organizations of associated labor and society.

13. There were nearly 14,000 fires in Yugoslavia in 1985. As a result, 142 people died and 650 were slightly or seriously injured. Immediate material damage caused by fires amounts to 22 billion dinars, which is 3.4 times more than in 1984; if one takes into account indirect damage, this sum reaches over 100 billion dinars. Over 80 percent of fires were caused by careless behaviour, sloppiness, lack of respect for regulations and so forth. There were more or less the same reasons behind nearly 42,000 traffic accidents in which 4,142 people lost their lives and 56,000 were injured.

14. It is understandable that this has negative consequences, because objectively speaking, it leads toward the devaluing of the role of federal organs in the political system and the weakening of their positions in carrying out their constitutional and legal functions and responsibilities.

15. For instance, laws which regulate economic relations with foreign countries and, in the country, state organs, have been entrusted with a large number of duties. It is the duty of federal organs to issue numerous certificates, permits, documents, ratifications and other papers necessary for carrying out foreign trade transactions.

16. This ought to be stimulated by laying fewer claims to income, giving priority to credits for working assets and the preparation of exports, giving priority to the import of equipment and material for reproduction, the settling of requests for obtaining resources needed for investments and other measures.

17. This picture will be even more complete if we recall that the foreign exchange inflow achieved in 1981 was higher by $250 million than last year.

18. With the beginning of the summer tourist season the Federal Executive Council, the tourist federation and authorized organs in republics and provinces have taken measures that will contribute to an even greater success this year. Appropriate proposals will be prepared in programs for the coming years in measures of economic policy that will support their realization.

19. In this way measures of economic coercion have been omitted, for which we opted in the long-term program; in their place there are occasional political campaigns for better cultivation of the land, and special teams are set up to control harvest, sowing and so forth.

20. Sugar refineries, slaughterhouses, refrigerating plants, and so forth.

21. In some parts of the country these organizations deal more and more with trade and catering, and less with agricultural production and village relations. A part of them tries to realize and preserve a monopolistic position on "its" market. This will also be assessed, and on the basis of that, appropriate measures will be taken.

22. Also evaluated will be the functioning of exchange of bureaus; if necessary, the network of exchange bureaus will be expanded in order to better stimulate these transactions, and also some other measure will be taken to improve efficiency.

23. The organizations of associated labor should directly negotiate about integrating such commercial functions in imports in appropriate associations and chambers. This will, no doubt, be of direct material interest for every organization of associated labor individually and for society as a whole.

24. For instance, the federation is responsible for regulating the bases and not the details of credit and banking systems, basic relations which secure the unity of the Yugoslav market, for regulating and not securing the protection and promotion of the environment of interest for the entire country, regulating the foundations of interest for two or more republics and provinces, the bases of the functioning of the Social Accountancy Service, etc.

25. In recent years we have been witnessing conflicts between two tendencies; on the one hand everyone is behaving the way it suits them most, even if this is contrary to the economic and development policies adopted in the authorized organs of the federation, while on the other there is an increase in red tape and the power of the federal apparatus. These tendencies encourage one another objectively. Their neutrality would be possible only by ensuring a responsible attitude of every subject and the building of the system according to its responsibilities.

26. Realistic depreciation and accumulation, revenue and personal income.

27. Re-valorization of credits, discount rate of the National Bank, the policy of interest rates on selective marketing, particularly exports and the production of foodstuffs, etc.

28. So products under the direct control of prices participate in overall producer prices by 58.3 percent.

29. Fiscal policy, the distribution of income and net income, currency dualism, interventions in the market and other policies.

30. The system of material and market reserves and trade in consumer centers would take over all market surplus from agriculture and food industry immediately after the harvest, in other words, production. The rest would be freely exported by producers. Buyers would bear the consequences of the untimely purchase of the necessary amount of food because it will have been exported, and the producer will suffer if they fail to deliver the amount demanded, because it would have to be imported. This means that credits of the National Bank for market commodities' funds, instead of going to producers in agriculture and part of food industry, would be marketed under strict conditions regarding their intended use, for the system of market reserves and trade organizations in consumer centers. In this way producers would free themselves of great expenses on the basis of interests on credits for market commodities' funds.

31. In conjunction with this organ, in other words inspection, corresponding social bodies will be set up (councils, commissions), which will examine topical issues concerning the functioning of inspection supervision and inform the SFRY Assembly, the Federal Executive Council and the public.

32. Because an increase in production and exports and raising of labor productivity, reduction in production costs and management costs, social overhead costs and unproductive posts, the introduction of modern methods of administration, the organization of labor and production, reaffirmation of socialist business morality depends -- at least to the same extent -- on self-managing, social, political, expert and other activities of working people in their organizations of associated labor, socio-political communities and organizations, as well as on solutions in the economic system. For this reason it is essential to wage this struggle in a synchronized way on both fronts.

33. The long-term program envisions that reelection of members for workers' councils and management organs be carried out together with producing a rehabilitation program in the basic organization of associated labor, but this is not being implemented. For instance, out of 1,156 basic organizations of associated labor in economy and 264 basic organizations of associated labor in social activities, which by the end of the first 3-month period in 1986 had uncovered losses according to the final accounts for 1985, the procedure to replace the leadership was carried out in only 26 basic organizations of associated labor.

34. In some republics it is necessary to obtain 40 different kinds of documents in order to open some workshops.

35. Small-scale economy is rather flexible in applying new technologies and contributing to their development. In the United States 60 percent of new posts are in enterprises with less than 20 workers. (MIT Boston)

36. The construction of 13,500 projects began in Yugoslavia in 1985. Preliminary estimate for 73.4 percent of these is under 50 million dinars per project. If it turns out that these are investments in developing the small-scale economy we will be encouraged by such an orientation, even if this represents only 5.3 percent of the total of the preliminary estimates of current investments.

37. Without the participation of the federation funds for crediting the speedier development of economically underdeveloped republics and autonomous provinces.

38. It is obvious that there is a need to work out the development strategy established by the long-term program by sections and areas, as well as the sources of financial means for the realization of goals adopted, including the instruments of the economic system and policy that would stimulate development in the desired direction. This is a prerequisite for carrying out a well-organized social action aimed at the realization of the long-term program, while objectively we are mainly continuing with principled theoretical and political debates on issues already discussed, without corresponding efforts aimed at realizing this program.

This also refers to the realization of the anti-inflationary policy. We adopted the anti-inflationary program, and then we made innovations in it. The LCY Central Committee adopted conclusions on the same issue. The program and conclusions are very good, but they have not been implemented. This is why instead of reducing inflation we made it very high; we must come to grips with this "dragon."

39. In these councils there was discussion on analytical material and proposals of all the more important solutions to specific questions, to draft systemic laws and other important acts of the administrative organs.

40. Such preparations for passing systemic laws will greatly contribute to efforts in eliminating causes for disagreements, heated discussions and also for raising the temperature of political climate, which used to happen as a result of bad proposals for laws and other documents. Also, they will contribute to efforts to eliminate causes for such frequent changes in laws, that is in their lasting validity, and, of course, their consistent implementation.

VLAJKOVIC-HASANI PRESIDENCY CHANGEOVER REPORTED

AU241750 [Editorial Report] Belgrade Television Service in Serbo-Croatian at 1730 GMT on 15 May carries a 5-minute report on the session of the SFRY Presidency at which Radovan Vlajkovic handed over the duties of president of the SFRY Presidency to Sinan Hasani.

The Presidency members are seen sitting at a round table in the following order, clockwise: Veselin Djuranovic, Josip Vrhovec, Stane Dolanc, Branko Mikulic, Sinan Hasani, Radovan Vlajkovic, an unknown man, Vidoje Zarkovic, Lazar Mojsov, Nikola Ljubicic, and Milka Planinc, president of the Federal Executive Council.

Vlajkovic reads his statement sitting down, and at the end barely rises to shake hands with Sinan Hasani, who does not get up. Hasani then reads his statement. Afterward, Hasani is seen standing in the same room, near Tito's flag-draped bust, shaking hands with Lazar Mojsov, Milka Planinc, Radovan Vlajkovic, Ilijaz Kurtesi, president of the SFRY Assembly; and Nikiola Ljubicic.

SUNDIC ON REAGAN-GORBACHEV MEETING PROSPECTS

AU241542 Belgrade Domestic Service in Serbo-Croatian 2000 GMT 23 May 86

[Milika Sundic Commentary]

[Text] Anatoliy Dobrynin, for many years Soviet ambassador in Washington and now secretary of the CPSU Central Committee, stated a few days ago that a Soviet-U.S. relations remain tense but that they could nevertheless improve considerably if Washington displayed political will. It follows from the Soviet diplomat's statement, formulated in this way, that improvement in Soviet-U.S. relations depends exclusively on the United States.

U.S. ambassador in Moscow Hartman also spoke about Soviet-U.S. relations a few days ago. In contrast to Dobrynin, Hartman believes that progress may be achieved in Soviet-U.S. relations if both sides work in this direction.

This also refers to the Reagan-Gorbachev meeting, which at present is the chief subject in the relations between the two superpowers. Both Dorbynin and Hartman believe that a meeting of the two leaders will take place by the end of the year, but considerable differences exist in Soviet and U.S. assessments regarding its outcome. In contrast to Hartman, for instance, Dobrynin emphatically asserts that the meeting between Gorbachev and Reagan would be senseless unless progress is made in the direction of limiting the arms race and unless greater confidence is achieved between the two powers, which is a prequisite for a return to detente.

Dobrynin's analyses and views will most likely exert a strong influence on the positions of the Soviet leadership in the field of Soviet-U.S. relations. His caution about the Reagan-Gorbachev meeting seems to indicate a possibility that the overall Soviet policy toward the West, and especially toward the United States, will be reexamined. One gets the impression that the Soviet Union, as much as it may value an improvement in relations with the United States, is not prepared to pay any price for it. One may even say that the belief prevails in Moscow that President Reagan, even during his second term in the White House, will not do anything significant that could return Soviet-U.S. relations to those -- let us say -- happy times, which is to say, the times of the detente of the seventies.

True enough, the United States denies this with the assertion that the Soviet Union is responsible for the present situation in the relations between the two superpowers, and that it depends primarily on the Soviet Union how their mutual relations will develop in the future.

All analyses show, however, that the truth is somewhere in the middle. Improvement in the relations between the USSR and the United States can be achieved, but only under the condition that both sides become involved in this direction. Disarmament is not the only issue although it is the most important problem dividing them. There are also many regional disputes, in which both superpowers could do much more than they have done so far. Whenever the USSR criticizes Reagan's administration, or rather its behavior in the international field, the United States cites Afghanistan or the Soviet support for Vietnam's intervention in Cambodia.

This provides the best indication that both superpowers have much to do before they sit down at a negotiating table, or that they should at least agree that the fate of world peace depends most of all on both their behavior in the international scene and on their behavior in mutual relations. The present state of affairs shows that both powers are far from this agreement, which by itself makes difficult an agreement on the date of a meeting between Reagan and Gorbachev.

LCY CENTRAL COMMITTEE SESSION OPENS IN BELGRADE

LD241713 Belgrade TANJUG Domestic Service in Serbo-Croatioan 0849 GMT 24 May 86

[Excerpts] Belgrade, 24 May -- The 28th session of the LCY Central Committee, at which draft documents for the 13th LCY Congress will be endorsed, is being held in Belgrade today. These documents include resolutions, a report on the activity of the work of the LCY and the LCY Central committee between the two congresses, and draft amendments and addenda to the LCY Statute. This will mark the formal end of the 2-month all-party social discussion on congress decisions, which should clearly establish the LCY's responsibilities in the coming 4-year period.

The Central Committee will examine today a report on the work of the "Josip Broz Tito" Political School, as well as a report on the activity of the LCY Central Committee Presidium from June 1985 to June 1986.

At the beginning of the session members of the top party forum verified the choice for the LCY Central Committee and Presidium members -- the newly elected presidents of presidiums, that is, the central and provincial committees of the LC -- Djordje Stojsic (Vojvodina), Georgije Jovicic (LCY organization in the Yugoslav People's Army), Azem Vlasi (Kosovo), Jakov Lazaroski (Macedonia), Stanko Stojcevic (Croatia), Milan Uzelac (Bosnia-Hercegovina), Milan Kucan (Slovenia), and Miljan Radovic (Montenegro). By their office they are the members of the highest-ranking LCY organs. Presiding over the session Dimce Belovski extended thanks to the outgoing presidents of the republican and provincial LC organizations -- Andrej Marinc, Marko Orlandic, Kolj Siroka, Milan Pancevski, Mika Spiljak, and Mato Andric.

At the beginning of the session, tribute was paid by a 1-minute silence for Nevena Bubanja-Velasevic and Bogoljub Nedeljkovic, late members of the LCY.

The introductory report on draft amendments and addenda to the resolution for the 13th LCY congress was submitted by Milan Kucan.

The members of the Central Committee examined the draft amendments and addenda to the resolution on LC tasks regarding the development of socialist self-managing democracy.

Dusan Alimpic noted that the draft resolution devoted little attention to agriculture. Several amendments were proposed to this part of the document in the public discussion, and they should be carefully examined and adopted.

According to Ivan Stojanovic the basic concept of this resolution and other congress documents should not be changed, but the majority of amendments should be adopted.

Marjan Rozic pointed out that amendments are better formulated than draft resolutions, especially the ones regarding statism and markets. More should be said in the resolution about the responsibilities toward the SAWP, Rozic added.

Milos Minic proposed that the draft resolution on the international policy of the LCY be updated with the problems of the most urgent nature for Yugoslavia's foreign policy and the world community.

The members of the Central Committee then adopted, together with amendments and addenda, draft resolutions on LCY tasks in the self-managing transformation and education; the development of culture; the realization of the platform on Kosovo, and the realization of the social role of the young generation. They also adopted a draft resolution on the realization of human rights, but at today's session its title was changed to: Draft Resolution on LCY Responsibility in the Realization of Freedom, Rights, and Responsibilities of Man and Citizens in the Socialist Self-Managing System.

After the adoption of all draft congress resolutions with amendments and addenda the LCY Central Committee continued its work by establishing draft amendments and addenda to the LCY Statute. On the basis of today's discussion the commission will establish the final draft of the text which will be submitted to the delegates of the 13th LCY congress.

A number of LCY Central Committee members proposed that presidents of presidiums of central and provincial LC committees and also the LCY Central Committee Presidium be elected by the LC central and provincial committees, but this proposal was rejected by the majority of votes. Also rejected was a proposal that presidents of the presidiums be responsible for their work to central and provincial LC committees.

The introductory report on amendment and addenda to the LCY statute was submitted by Budimir Vukasinovic.

Continuing their session the members of the LCY Central Committee endorsed a draft report on the work of the LCY and the activity of the LCY Central Committee between the 12th and 13th congresses. They also endorsed draft rules of procedure on the work of the 13th LCY Congress.

The introductory speech on the report of the work of the LCY and the activity of the LCY Central Committee was submitted by Dimce Belovski.

The Central Committee then examined a report on the work of the "Josip Broz Tito" Political School and adopted a decision on the further organization of this top party educational institution. Ivica Racan, director of the school, stressed that the adopted decision more clearly defines the tasks of the school and regulates its status in a more permanent way.

The members of the top party forum adopted a report on the work of the LCY Central Committee Presidium in the past year.

At the end of the session Bruno Vuletic expressed his dissatisfaction at the report which the Presidium submitted to the LC members regarding a matter which he raised as far back as the 24th LCY Central Committee session. It refers to the misfortunes of Andjelka Radelic-Jovanovic who in her book "The Birth of Freedom" gave evidence that Borivoje Viksic was an Ustasha during the war.

The LCY Central Committee members decided not to hold a discussion on this case because, as Vidoje Zarkovic said, the report was incomplete and the case is still being investigated. The whole procedure should be accelerated. Zarkovic stressed, and once it is over a discussion may take place, if necessary, at a session of the LCY Central Committee.

This case will soon be dealt with by the Federal Court.

SAWPY CONFERENCE DISCUSSES CRITICAL ANALYSIS

AU231808 Belgrade Domestic Service in Serbo-Croatian 1300 GMT 23 May 86

[Excerpts] The SAWPY Federal Conference is summing up the results of the public discussion about the Critical Analysis of the Functioning of the Political System of Socialist Self-Management. The opening report was submitted by Jovan Dejanovic, member of the Presidium.

Mihailo Svabic, president of the Presidium of the Yugoslav Veterans Fderation, pointed out that it was clearly shown in the public discussion of the Critical Analysis and at all important gatherings, especially the congresses held recently, that our people are unequivocally declaring themselves against splits and divisions. They have confirmed that we need this Yugoslavia as a strong federation, such as we agreed upon in Jajce [in 1943], in which the equality of the peoples and nationalities will be guaranteed and self-management will be constantly improving and strengthening. The way things stand at present, these matters have been jeopardized, Mihailo Svabic said. He explained:

[Begin Svabic recording] In its other functions, the federation is not capable of protecting these interests given the way the federation develops and as practice shows. Let us take, for instance, these basic self-managing rights. The main speaker used a form of expression according to which the basic production relationship has not yet come to life. During all this time, since here, in this assembly, we handed the factories to the workers so that they might manage them, as Comrade Tito proposed, the basic production relationship has not come to life.

Why does not the workers class, which has power in this country, use the instruments of its state to make this basic process come to life? [End recording]

Mihailo Svabic addressed more criticisms at our divisions, the existence of eight closed markets, and the division and withdrawal into the republican borders, which makes the federation practically a mere compact among the republics and provinces. We even have the absurd situation that if a republican law is opposed to a federal law, the republican law is applied with the explanation that this is a provisional arrangement.

[Begin Svabic recording] We are not even in a position to ensure the flow of goods, not to say of money. We are not able to set up a common market. Independent states in Europe are creating a common market, but we are splitting the market in a single state into eight closed markets. Moreover, I do not know just how many communal markets. At the time of that dismantling of the federation, we split up everything that constitutes the flow of blood in the country: transportation, and energy, and finances, and everything else. And we arrived at a theory which is implemented in practice: The republics are everything, and their compact forms the federation [End recording]

General Milan Daljevic also agreed that the attitude of the republics and the provinces toward the federation, as we have created it, frequently departs from the principles of AVNOJ [Anti-Fascist Council of National Liberation of Yugoslavia, meeting in Jajce in 1943] and that the rights and duties of the federation should be reexamined. In this sense he spoke about the prevention of an abuse of consensus:

[Begin Daljevic recording] It was strongly pointed out in the discussion that any form of distortions of the AVNOJ blueprint of the relations in the federation must be prevented, and that the federation's role and its historically irreplaceable functions must be more strongly affirmed.

Moreover, that an abuse of the consensus should be prevented, and that the consensus should not be allowed to penerate into fields where it has no place according to the constitution, and that we must square the accounts ideologically and in practice with confederalist tendencies and beliefs according to which equality is equated with the right of veto and with disagreement with others at any cost. [end recording]

Milan Daljevic advocated the strengthening of the influence of the workers class and in this context, in his view, one should not reject the idea of introducing an Associated Labor Chamber in the SFRY Assembly.

For us young people, the proposal to introduce an Associated Labor Chamber in the SFRY Assembly is not acceptable, Azmir Bejta, a representative of the Yugoslav Youth federation, pointed out at the beginning of his speech. He explained as follows:

[Begin Bejta recording] Such proposals perhaps should not be considered at all, not only because they are very short of supporting arguments, but also because their proposers contradict themselves. This is clearly seen in the fact that when they propose the introduction of an Associated Labor Chamber, they propose a strengthening of the role of associated labor, but in the same breath they propose the introduction of conventional direct elections, which means that they negate the solution which emanates from the decisive position and role of associated workers. Furthermore, their contradictoriness is clearly seen when they propose the abolition of the consensus and the introduction of decision by majority vote, of course on economic problems, and in the same breath they also advocate strengthening the responsibility of the republics and provinces for the development and the fate of Yugoslavia.

Ademi Burhan of Macedonia pointed out the democratic atmosphere of the public discussion in that republic, which is indicated by the broad spectrum of the views expressed, from those that support everything up to those that in some points question the very foundations of the system. One of the basic emphasis in the public discussion in Macedonia reads: Changes must create the conditions for even firmer links among the workers class of Yugoslavia. At the same time, the process of polycentric statism must end, for many political and economic problems arise from it and encouragement to deepen the present crisis emanates from it.

Ademi Burhan also said:

[Begin Burhan recording] The opinion prevailed in the discussion that one should not establish a special Associated Labor Chamber in the SFRY Assembly. It is believed that its formation would undermine the principle of the equal representation of the republics and an appropriate representation of the provinces in the SFRY Assembly, for in this way the dominate position would be manifested by those republics in which associated labor is more pronounced, or rather in which workers in associated labor are more numerous. At the same time, such a chamber would jeopardize the constitutional function or powers of the Chamber of the Republics and Provinces and of the Federal Chamber. [end recording]

Islamic Community Considered

AU221806 Belgrade Domestic Service in Serbo-Croatian 1300 GMT 22 May 86

[Text] Members of the Coordination Committee for Questions of Religion and the Activities of Religious Communities of the SAWPY Federal Conference discussed today, among other things, the current questions concerning the position and activities of the Islamic religious community in our country.

Bozidar Djuran reports:

The position and the activities of the Islamic religious community in Yugoslavia is an exceptionally important question because our country contains the majority of the Islamic faithful in Europe. Taken overall, the Islamic religious community, like other large and small religious confessions in our country, enjoys all the rights granted by the Constitution and there are no major problems or disagreements here.

However, from time to time, individual cases appear which confirm that full attention must be paid to the revival of the old tendencies which exceed the frameworks of religion and religious activities. For instance, the question has not yet been resolved on how long the festivities will last on the opening of the mosque in Zagreb, and what their nature will be. The Islamic religious comunity requests that the festivities should last 4 days, and that the guests should include members of governments of some countries and virtually all the diplomatic representatives of the Islamic and Arab countries in Yugoslavia.

Let us add that the meeting today referred back to the draft themes for a discussion on youth and religion, which were prepared by a working group of the Federal Conference of the socialist Youth of Yugoslavia. The draft has been criticized for failing to create a blueprint for the discussion and for containing a number of theses which are politically poorly conveived and which disparage young religious people. This of course opposes the precepts of our country.

FURTHER REPORTAGE ON SERBIAN LC CONGRESS

Self-Management Commission

LD262250 Belgrade TANJUG Domestic Service in Serbo-Croatian 1019 GMT 26 May 86

[Excerpts] Belgrade, 26 May (TANJUG) -- People no longer accept empty propaganda talk about the principles and goals of the political system, when they are confronted daily by the irresponsibility and inefficiency of many institutions and the unpreparedness of leading social forces to make changes for the better. Now is not the time for waging and hesitation but for bolder and more resolute socialist and self-managing changes in practice and in the norms of the political system.

This was stressed by Dr Bogdan Trifunovic in his introductory address in the congress Commission for the Development of the Political System of Socialist Self-Management. Having recalled that the intercongress period was marked by discussion of the functioning of the political system and the implementation of the relations on which unity and togetherness in Serbia are founded, Bogdan Trifunovic assessed that these discussions have not been accompanied by a real change in life.

Trifunovic then noted the excessively complicated and formalized work of the institutions of the delegate system and also warned of "double platforms" in the activity of sociopolitical organizations.

Having noted that concrete, persistent and patient work is essential for the realization of the LCY Central Committee's stances on unity and togetherness in the SR of Serbia. Trifunovic stressed that the lasting task of the LC of Serbia remains the flight for Serbia's full contribution to the realization and improvement of relations in the federation. It will reject resoslutely any attempt to establish bureaucratic centralism and unitarism as well as republic and provincial isolationism and statism.

Recalling that in the public debate on the functioning of the political system, there was a call for a greater direct influence of associated labor in all forms of decsionmaking, Trifunovic observed that the possibility and need for the introduction of a Chamber of Associated Labor into the SFRY Assembly should continue to be considered.

With reference to this, Bogdan Trifunovic stressed that the Serbian LC's advocacy of an efficient functioning of the federation and its organs and of full responsibility in the implementaiton of federal laws, cannot be declared to be either centralism or unitarism. It is simply a matter of ensuring democratic conditions for the functioning of our common state on constitutional principles.

The power and weakness of the federation, Trifunovic continued, is at the same time the power and the weakness of the LCY and its responsible bodies. For this reason a greater contribution by the LCY Central Committee and all communists in responsible functions in improving relations in the federation is necessary. In this, Trifunovic says, the LCY Central Committee is not a party variant of the Chamber of Republics and Provinces.

Communists in Serbia as well as communists in other republics, should not forget that we live in a multinational country with large internal differences in economic development and in other areas. In a country like this it is impossible to make any significant changes in one republic without taking into account the effect this will have in another republic. This is a condition of communal life. If this is not done, there will be haggling and rotten compromises which solve nothing, pseudo-criticism and, ultimately, the formation of splinter groups and factionalism which will link up with nationalism.

Trifunovic was specific in saying that the struggle against all forms of nationalism cannot simply be reduced to denunciations of it. In this context, he also spoke of the situation in Kosovo. He warned that the necessary degree of unity on the assessment of the situation and problems in Kosovo has still not yet been reached. This was, and remains, one of the main and limiting factors explaining the failure to achieve everything which could realistically have been achieved.

The status of the Yugoslav people who, as national minorities live in neighboring countries, must, Svetislav Popovic stressed, correspond to the UN Charter and other international documents. The existence of the Macedonian people and the Macedonian nation in the SR of Macedonia is not dependent on arbitrary statement made by other countries. Those who are genuinely interested in developing good-neighborly cooperation and in strengthening the climate of mutual trust must recognize and respect the fundamental principles of the Yugoslav system which has the SR of Macedonia and the Macedonian people as constituent, integral, and equal parts.

Speaking about Yugoslav-Albanian relations, Popovic emphasized that the dialogue with this neighbor may cover all issues except that of Kosov. As he puts it, Kosovo was, still is, and will remain a Yugoslav internal issue.